Interim consolidated financial statements

Consolidated statement of financial position

millions of €	Sept. 30, 2024	Dec. 31, 2023	Change	Change %	Sept. 30, 2023
Assets					
Current assets	**40,121**	**36,363**	**3,758**	**10.3**	**36,260**
Cash and cash equivalents	12,204	7,274	4,930	67.8	7,470
Trade receivables	14,340	16,157	(1,817)	(11.2)	15,713
Contract assets	2,574	2,426	148	6.1	2,513
Current recoverable income taxes	328	214	114	53.3	170
Other financial assets	4,824	5,453	(629)	(11.5)	5,333
Inventories	2,540	2,419	121	5.0	2,577
Other assets	2,292	2,210	82	3.7	2,239
Non-current assets and disposal groups held for sale	1,020	211	809	n.a.	245
Non-current assets	**248,487**	**253,942**	**(5,455)**	**(2.1)**	**266,253**
Intangible assets	135,725	136,004	(278)	(0.2)	141,048
Property, plant and equipment	63,392	65,042	(1,650)	(2.5)	66,142
Right-of-use assets	30,894	32,826	(1,932)	(5.9)	34,536
Capitalized contract costs	3,470	3,511	(41)	(1.2)	3,487
Investments accounted for using the equity method	6,056	4,605	1,451	31.5	7,402
Other financial assets	3,093	4,140	(1,047)	(25.3)	5,115
Deferred tax assets	4,211	6,401	(2,191)	(34.2)	7,049
Other assets	1,647	1,413	234	16.6	1,476
Total assets	**288,608**	**290,305**	**(1,697)**	**(0.6)**	**302,513**
Liabilities and shareholders' equity					
Current liabilities	**34,828**	**36,065**	**(1,237)**	**(3.4)**	**36,479**
Financial liabilities	11,500	9,620	1,880	19.5	9,285
Lease liabilities	5,435	5,649	(213)	(3.8)	5,792
Trade and other payables	7,718	10,916	(3,198)	(29.3)	10,223
Income tax liabilities	823	683	141	20.6	995
Other provisions	3,108	3,835	(726)	(18.9)	3,968
Other liabilities	4,067	3,444	623	18.1	4,180
Contract liabilities	2,177	1,919	257	13.4	2,036
Liabilities directly associated with non-current assets and disposal groups held for sale	0	0	0	n.a.	0
Non-current liabilities	**161,387**	**163,003**	**(1,616)**	**(1.0)**	**169,464**
Financial liabilities	96,378	94,903	1,476	1.6	99,495
Lease liabilities	32,991	35,144	(2,153)	(6.1)	36,828
Provisions for pensions and other employee benefits	3,297	4,060	(763)	(18.8)	3,625
Other provisions	4,227	4,265	(38)	(0.9)	3,648
Deferred tax liabilities	22,068	21,918	150	0.7	23,116
Other liabilities	1,367	1,872	(505)	(27.0)	1,896
Contract liabilities	1,058	840	218	25.9	856
Liabilities	**196,216**	**199,068**	**(2,852)**	**(1.4)**	**205,943**
Shareholders' equity	**92,393**	**91,237**	**1,156**	**1.3**	**96,570**
Issued capital	12,765	12,765	0	0.0	12,765
Treasury shares	(180)	(20)	(160)	n.a.	(27)
	12,585	**12,745**	**(160)**	**(1.3)**	**12,738**
Capital reserves	56,652	56,786	(135)	(0.2)	58,660
Retained earnings including carryforwards	(16,614)	(29,869)	13,255	44.4	(29,609)
Total other comprehensive income	(981)	(525)	(456)	(86.8)	1,432
Net profit (loss)	7,027	17,788	(10,761)	(60.5)	18,823
Issued capital and reserves attributable to owners of the parent	**58,669**	**56,925**	**1,743**	**3.1**	**62,044**
Non-controlling interests	33,724	34,312	(588)	(1.7)	34,526
Total liabilities and shareholders' equity	**288,608**	**290,305**	**(1,697)**	**(0.6)**	**302,513**

Consolidated income statement

millions of €	Q1-Q3 2024	Q1-Q3 2023	Change %	Q3 2024	Q3 2023	Change %	FY 2023
Net revenue	**84,838**	**82,601**	**2.7**	**28,501**	**27,556**	**3.4**	**111,970**
Of which: interest income calculated using the effective interest method	486	495	(1.7)	153	161	(5.2)	662
Of which: revenue from insurance contracts	3,402	3,393	0.3	1,119	1,125	(0.5)	4,533
Other operating income	818	922	(11.2)	233	294	(20.8)	1,384
Changes in inventories	29	28	1.5	(5)	7	n.a.	(6)
Own capitalized costs	1,938	2,027	(4.4)	646	681	(5.2)	2,721
Goods and services purchased	(33,554)	(34,004)	1.3	(11,199)	(11,158)	(0.4)	(47,201)
Personnel costs	(14,077)	(14,431)	2.4	(4,614)	(4,845)	4.8	(19,077)
Other operating expenses	(4,288)	(3,693)	(16.1)	(1,594)	(1,205)	(32.2)	(5,019)
Impairment losses on financial assets, contract assets, and lease assets	(967)	(836)	(15.6)	(273)	(312)	12.6	(1,149)
Gains (losses) from the write-off of financial assets measured at amortized cost	(13)	(6)	n.a.	(5)	(2)	n.a.	(14)
Other	(3,308)	(2,850)	(16.1)	(1,316)	(891)	(47.7)	(3,856)
EBITDA	**35,703**	**33,451**	**6.7**	**11,968**	**11,330**	**5.6**	**44,772**
Depreciation, amortization and impairment losses	(17,900)	(17,804)	(0.5)	(5,830)	(5,904)	1.3	(23,975)
Profit (loss) from operations (EBIT)	**17,803**	**15,647**	**13.8**	**6,137**	**5,426**	**13.1**	**20,798**
Finance costs	(4,279)	(4,249)	(0.7)	(1,433)	(1,379)	(3.9)	(5,719)
Interest income	686	534	28.4	233	149	56.3	870
Interest expense	(4,965)	(4,783)	(3.8)	(1,667)	(1,529)	(9.0)	(6,588)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	1,309	14	n.a.	1,330	23	n.a.	(2,766)
Other financial income (expense)	(177)	(195)	9.5	(343)	(136)	n.a.	(345)
Profit (loss) from financial activities	**(3,147)**	**(4,430)**	**29.0**	**(446)**	**(1,492)**	**70.1**	**(8,829)**
Profit (loss) before income taxes	**14,656**	**11,217**	**30.7**	**5,691**	**3,934**	**44.7**	**11,968**
Income taxes	(3,571)	(2,941)	(21.4)	(1,273)	(1,000)	(27.2)	(3,672)
Profit (loss) after taxes from continuing operations	**11,086**	**8,276**	**33.9**	**4,418**	**2,933**	**50.6**	**8,296**
Profit (loss) after taxes from discontinued operation	**0**	**13,694**	**(100.0)**	**0**	**3**	**(100.0)**	**13,696**
Profit (loss)	**11,086**	**21,970**	**(49.5)**	**4,418**	**2,936**	**50.5**	**21,992**
Profit (loss) attributable to							
Owners of the parent (net profit (loss))	7,027	18,823	(62.7)	2,957	1,924	53.7	17,788
Non-controlling interests	4,059	3,147	28.9	1,461	1,013	44.3	4,204

The GD tower companies, which operated the cell tower business in Germany and Austria and were assigned to the Group Development operating segment, were recognized as a discontinued operation in the interim consolidated financial statements from the third quarter of 2022 until their sale on February 1, 2023.

Earnings per share

		Q1-Q3 2024	Q1-Q3 2023	Change %	Q3 2024	Q3 2023	Change %	FY 2023
Profit (loss) from continuing operations attributable to the owners of the parent (net profit (loss))	millions of €	7,027	5,129	37.0	2,957	1,921	54.0	4,092
Profit (loss) from discontinued operation attributable to the owners of the parent (net profit (loss))	millions of €	0	13,694	(100.0)	0	3	(100.0)	13,696
Profit (loss) attributable to the owners of the parent (net profit (loss))	millions of €	7,027	18,823	(62.7)	2,957	1,924	53.7	17,788
Adjusted weighted average number of ordinary shares outstanding (basic and diluted)	millions	4,948	4,975	(0.5)	4,927	4,976	(1.0)	4,976
Earnings per share from continuing operations (basic and diluted)	€	**1.42**	**1.03**	**37.8**	**0.60**	**0.39**	**55.5**	**0.82**
Earnings per share from discontinued operation (basic and diluted)	€	**0.00**	**2.75**	**(100.0)**	**0.00**	**0.00**	**(100.0)**	**2.75**
Earnings per share (basic and diluted)	€	**1.42**	**3.78**	**(62.5)**	**0.60**	**0.39**	**55.2**	**3.57**

The GD tower companies, which operated the cell tower business in Germany and Austria and were assigned to the Group Development operating segment, were recognized as a discontinued operation in the interim consolidated financial statements from the third quarter of 2022 until their sale on February 1, 2023.

Consolidated statement of comprehensive income

millions of €

	Q1-Q3 2024	Q1-Q3 2023	Change	Q3 2024	Q3 2023	Change	FY 2023
Profit (loss)	**11,086**	**21,970**	**(10,885)**	**4,418**	**2,936**	**1,482**	**21,992**
Items not subsequently reclassified to profit or loss (not recycled)							
Gains (losses) from the remeasurement of equity instruments	59	(35)	93	20	(18)	39	(70)
Gains (losses) from the remeasurement of defined benefit plans	678	467	211	(63)	251	(314)	18
Income taxes relating to components of other comprehensive income	(56)	(112)	57	86	(97)	183	63
	681	**320**	**361**	**43**	**136**	**(92)**	**12**
Items subsequently reclassified to profit or loss (recycled), if certain reasons are given							
Exchange differences on translating foreign operations							
Recognition of other comprehensive income in income statement	0	4	(4)	0	0	0	4
Change in other comprehensive income (not recognized in income statement)	(946)	568	(1,514)	(2,991)	1,434	(4,425)	(2,094)
Gains (losses) from the remeasurement of debt instruments							
Recognition of other comprehensive income in income statement	817	667	150	264	236	28	921
Change in other comprehensive income (not recognized in income statement)	(722)	(640)	(83)	(205)	(236)	31	(838)
Gains (losses) from hedging instruments (designated risk components)							
Recognition of other comprehensive income in income statement	(6)	(106)	100	92	(67)	159	(33)
Change in other comprehensive income (not recognized in income statement)	37	601	(564)	(383)	532	(916)	(251)
Gains (losses) from hedging instruments (hedging costs)							
Recognition of other comprehensive income in income statement	1	1	0	0	0	0	1
Change in other comprehensive income (not recognized in income statement)	(1)	(34)	33	0	(35)	35	(25)
Share of profit (loss) of investments accounted for using the equity method							
Recognition of other comprehensive income in income statement	0	0	0	(3)	0	(3)	(4)
Change in other comprehensive income (not recognized in income statement)	(10)	20	(30)	(33)	17	(50)	(22)
Income taxes relating to components of other comprehensive income	(31)	(156)	125	79	(136)	214	69
	(862)	**925**	**(1,787)**	**(3,181)**	**1,746**	**(4,927)**	**(2,273)**
Other comprehensive income	**(181)**	**1,245**	**(1,425)**	**(3,137)**	**1,882**	**(5,019)**	**(2,262)**
Total comprehensive income	**10,905**	**23,216**	**(12,311)**	**1,281**	**4,818**	**(3,537)**	**19,730**
Total comprehensive income attributable to							
Owners of the parent	7,194	19,759	(12,565)	1,259	3,025	(1,766)	16,531
Non-controlling interests	3,712	3,457	255	23	1,794	(1,771)	3,199

Consolidated statement of changes in equity

millions of €

	Issued capital and reserves attributable to owners of the parent													Total	Non-controlling interests	Total shareholders' equity
	Equity contributed			Consolidated shareholders' equity generated		Total other comprehensive income										
	Issued capital	Treasury shares	Capital reserves	Retained earnings including carry-forwards	Net profit (loss)	Translation of foreign operations	Revaluation surplus	Equity instruments measured at fair value through other comprehensive income (IFRS 9)	Debt instruments measured at fair value through other comprehensive income (IFRS 9)	Hedging instruments: designated risk components (IFRS 9)	Hedging instruments: hedging costs (IFRS 9)	Investments accounted for using the equity method	Taxes			
Balance at January 1, 2023	**12,765**	**(35)**	**61,532**	**(34,489)**	**8,001**	**221**	**0**	**109**	**(50)**	**695**	**35**	**0**	**(227)**	**48,558**	**38,762**	**87,320**
Changes in the composition of the Group														0	(4)	(4)
Transactions with owners			(3,139)			106			(3)	(44)			14	(3,065)	(7,350)	(10,415)
Unappropriated profit (loss) carried forward				8,001	(8,001)									0	0	0
Dividends				(3,483)										(3,483)	(545)	(4,028)
Capital increase at Deutsche Telekom AG														0	0	0
Capital increase from share-based payment			267											267	207	474
Share buy-back/shares held in a trust deposit		8												8	0	8
Profit (loss)					18,823									18,823	3,147	21,970
Other comprehensive income				356		320		(35)	14	424	(34)	20	(130)	936	310	1,245
Total comprehensive income														**19,759**	**3,457**	**23,216**
Transfer to retained earnings				6				(6)						0	0	0
Balance at September 30, 2023	**12,765**	**(27)**	**58,660**	**(29,609)**	**18,823**	**648**	**0**	**69**	**(39)**	**1,075**	**2**	**20**	**(342)**	**62,044**	**34,526**	**96,570**
Balance at January 1, 2024	**12,765**	**(20)**	**56,786**	**(29,869)**	**17,788**	**(720)**	**0**	**36**	**(10)**	**291**	**12**	**(26)**	**(108)**	**56,925**	**34,312**	**91,237**
Changes in the composition of the Group														0	(1)	(1)
Transactions with owners			(414)			(15)				1				(429)	(2,803)	(3,232)
Unappropriated profit (loss) carried forward				17,788	(17,788)									0	0	0
Dividends				(3,817)										(3,817)	(1,748)	(5,564)
Capital increase at Deutsche Telekom AG														0	0	0
Capital increase from share-based payment			279											279	252	532
Share buy-back/shares held in a trust deposit		(160)		(1,324)										(1,485)	0	(1,485)
Profit (loss)					7,027									7,027	4,059	11,086
Other comprehensive income				610		(514)		57	48	(21)	3	(10)	(6)	167	(347)	(181)
Total comprehensive income														**7,194**	**3,712**	**10,905**
Transfer to retained earnings				(2)				2						0	0	0
Balance at September 30, 2024	**12,765**	**(180)**	**56,652**	**(16,614)**	**7,027**	**(1,250)**		**96**	**38**	**271**	**14**	**(37)**	**(114)**	**58,669**	**33,724**	**92,393**

Consolidated statement of cash flows

millions of €

	Q1-Q3 2024	Q1-Q3 2023	Change	Q3 2024	Q3 2023	Change	FY 2023
Profit (loss) before income taxes	**14,656**	**24,205**	**(9,549)**	**5,691**	**3,937**	**1,754**	**24,957**
Depreciation, amortization and impairment losses	17,900	17,804	96	5,830	5,904	(74)	23,975
(Profit) loss from financial activities	3,147	4,446	(1,299)	446	1,492	(1,046)	8,845
(Profit) loss on the disposal of fully consolidated subsidiaries	2	(12,927)	12,929	2	(3)	5	(12,927)
(Income) loss from the sale of stakes accounted for using the equity method	0	(15)	15	0	0	0	(235)
Other non-cash transactions	1,029	485	544	651	137	514	543
(Gains) losses from the disposal of intangible assets and property, plant and equipment	(13)	15	(28)	(27)	12	(39)	43
Change in assets carried as operating working capital	1,584	1,206	378	58	(106)	164	720
Change in other operating assets	(278)	(452)	173	242	(100)	341	(611)
Change in provisions	(949)	(845)	(104)	18	390	(372)	(821)
Change in liabilities carried as operating working capital	(1,580)	(1,206)	(374)	(421)	(403)	(19)	(500)
Change in other operating liabilities	506	816	(310)	(26)	51	(77)	212
Income taxes received (paid)	(1,062)	(785)	(277)	(359)	(317)	(43)	(1,312)
Dividends received	6	9	(3)	3	5	(2)	31
Net payments from entering into, canceling or changing the terms and conditions of interest rate derivatives	7	(31)	38	0	0	0	(94)
Cash generated from operations	**34,955**	**32,725**	**2,230**	**12,107**	**11,000**	**1,107**	**42,826**
Interest paid	(6,016)	(5,706)	(311)	(1,787)	(1,823)	36	(7,729)
Interest received	1,765	1,537	228	489	514	(25)	2,201
Net cash from operating activities	**30,703**	**28,556**	**2,148**	**10,810**	**9,692**	**1,118**	**37,298**
Of which: from discontinued operation	0	80	(80)	0	0	0	80
Cash outflows for investments in							
Intangible assets	(5,932)	(3,711)	(2,220)	(3,251)	(1,270)	(1,981)	(5,560)
Property, plant and equipment	(8,438)	(9,990)	1,552	(2,542)	(2,995)	454	(12,306)
Non-current financial assets	(391)	(230)	(161)	(88)	(26)	(61)	(326)
Payments for publicly funded investments in the broadband build-out	(291)	(237)	(54)	(115)	(91)	(24)	(338)
Proceeds from public funds for investments in the broadband build-out	236	244	(7)	128	126	2	444
Changes in cash and cash equivalents in connection with the acquisition of control of subsidiaries and associates	(368)	(4)	(364)	(7)	0	(7)	(4)
Proceeds from disposal of							
Intangible assets	0	0	(1)	0	0	0	95
Property, plant and equipment	95	81	13	33	25	9	110
Non-current financial assets	365	160	205	74	18	57	473
Changes in cash and cash equivalents in connection with the loss of control of subsidiaries and associates	2	7,625	(7,624)	5	2	3	7,629
Net change in short-term investments and marketable securities and receivables	447	(38)	485	5	386	(380)	(430)
Other	(7)	(1)	(6)	0	0	0	(1)
Net cash (used in) from investing activities	**(14,281)**	**(6,100)**	**(8,181)**	**(5,756)**	**(3,827)**	**(1,929)**	**(10,213)**
Of which: from discontinued operation	0	(17)	17	0	0	0	(17)
Proceeds from issue of current financial liabilities	1,391	783	607	7	(30)	37	816
Repayment of current financial liabilities	(6,361)	(11,986)	5,625	(532)	(5,248)	4,716	(12,700)
Proceeds from issue of non-current financial liabilities	8,333	10,973	(2,640)	2,392	1,876	516	10,973
Repayment of non-current financial liabilities	0	(1,976)	1,976	0	0	0	(1,992)
Dividend payments (including to other shareholders of subsidiaries)	(5,118)	(3,701)	(1,417)	(495)	(138)	(358)	(4,027)
Principal portion of repayment of lease liabilities	(4,674)	(4,442)	(232)	(1,373)	(1,241)	(132)	(5,904)
Deutsche Telekom AG share buy-back	(1,470)	0	(1,470)	(537)	0	(537)	0
Cash inflows from transactions with non-controlling entities	3,599	22	3,576	34	9	25	30
Cash outflows from transactions with non-controlling entities	(7,029)	(10,572)	3,543	(571)	(2,557)	1,986	(12,730)
Net cash (used in) from financing activities	**(11,329)**	**(20,899)**	**9,569**	**(1,076)**	**(7,329)**	**6,253**	**(25,534)**
Of which: from discontinued operation	0	(74)	74	0	0	0	(74)
Effect of exchange rate changes on cash and cash equivalents	(163)	121	(284)	(365)	192	(556)	(68)
Changes in cash and cash equivalents associated with non-current assets and disposal groups held for sale	0	25	(25)	0	0	0	25
Net increase (decrease) in cash and cash equivalents	**4,930**	**1,703**	**3,227**	**3,613**	**(1,272)**	**4,885**	**1,507**
Cash and cash equivalents, at the beginning of the period	**7,274**	**5,767**	**1,507**	**8,591**	**8,742**	**(151)**	**5,767**
Cash and cash equivalents, at the end of the period	**12,204**	**7,470**	**4,735**	**12,204**	**7,470**	**4,735**	**7,274**

As a result of the sales agreement concluded on July 13, 2022, the GD tower companies had been recognized as a discontinued operation from the third quarter of 2022 until their sale on February 1, 2023. In the prior-year period, the consolidated statement of cash flows still included the discontinued operation in the Group Development operating segment. The top line of the consolidated statement of cash flows is profit before income taxes, which in the prior-year period included the profit of both the continuing operations and the discontinued operation. In the consolidated statement of cash flows, the contributions by the GD tower companies have each been stated in a separate "of which" line item.

Significant events and transactions

Accounting policies

In accordance with § 53 (6) of the Exchange Rules for the Frankfurter Wertpapierbörse (FWB), Deutsche Telekom AG voluntarily publishes a quarterly financial report that comprises interim consolidated financial statements and an interim Group management report. The interim consolidated financial statements were prepared in accordance with the IFRS Accounting Standards (hereinafter referred to as "IFRS Accounting Standards") issued by the International Accounting Standards Board (IASB) and applicable to interim financial reporting as adopted by the EU as of the reporting date. The interim management report for the Group was prepared in accordance with the German Securities Trading Act.

Statement of compliance

The interim consolidated financial statements for the period ended September 30, 2024 are in compliance with International Accounting Standard (IAS) 34. As permitted by IAS 34, it has been decided to publish a condensed version compared to the consolidated financial statements as of December 31, 2023. All IFRS Accounting Standards applied by Deutsche Telekom AG have been adopted by the European Commission for use within the EU.

In the opinion of the Board of Management, the reviewed quarterly financial report includes all standard adjustments to be applied on an ongoing basis that are required to give a true and fair view of the results of operations and financial position of the Group. Please refer to the notes to the consolidated financial statements as of December 31, 2023 for the summary of accounting policies used in the consolidated interim financial statements.

Initial application of standards, interpretations, and amendments in the reporting period

Pronouncement	Title	To be applied by Deutsche Telekom from	Changes	Impact on the presentation of Deutsche Telekom's results of operations and financial position
IFRSs endorsed by the EU				
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	Jan. 1, 2024	The amendments require a seller-lessee, when subsequently measuring lease liabilities arising from sale-and-leaseback transactions, to determine "lease payments" and "changed lease payments" in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments can particularly affect sale-and-leaseback transactions which include variable lease payments that do not depend on an index or interest rate.	No material impact.
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Jan. 1, 2024	The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The amendment also specifies the definition of settlement of a liability.	No material impact.
Amendments to IAS 1	Non-current Liabilities with Covenants	Jan. 1, 2024	The amendments clarify that covenants in loan agreements with which an entity is required to comply only after the reporting date do not affect the classification of a liability on the reporting date as current or non-current. By contrast, covenants with which an entity must comply on or before the reporting date affect the classification.	No material impact.
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	Jan. 1, 2024	The subject of the amendments is supplier finance arrangements, especially reverse factoring arrangements. The amendments created additional disclosure requirements in accordance with IAS 7 and IFRS 7 to increase transparency about the impact that supply finance arrangements have on an entity's liabilities, cash flows, and liquidity risk.	No material impact.

For further information on standards, interpretations, and amendments that have been issued but not yet applied, as well as disclosures on the recognition and measurement of items in the statement of financial position and discretionary decisions and estimation uncertainties, please refer to the section "Summary of accounting policies" in the notes to the consolidated financial statements in the 2023 Annual Report.

Changes in accounting policies and changes in the reporting structure

Deutsche Telekom did not make any major changes to its accounting policies or reporting structure in the reporting period.

Development of the economic environment and impact on financial reports

The macroeconomic challenges currently facing society, politics, and business are multi-faceted and often interdependent. The economic outlook remains vulnerable to significant downside risks, with geopolitical tensions and potential trade disputes in particular posing high risks to economic growth and inflation. Deutsche Telekom is aware that, in view of the current developments, extrapolating past experience to the future is only possible to a limited extent. Deutsche Telekom is constantly reassessing the challenges and takes them into account in its consolidated financial statements and financial reporting, e.g., when testing the impairment of goodwill, the recognition of deferred taxes, and the measurement of provisions, financial instruments, as well as of investments accounted for using the equity method.

Changes in the underlying parameters primarily relate to the exchange rates used for currency translation and to the interest rates for determining defined benefit obligations.

The euro exchange rates of certain significant currencies changed as follows:

€	Rate at the reporting date			Annual average rate	
	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023	Q1-Q3 2024	Q1-Q3 2023
100 Czech korunas (CZK)	3.97125	4.04417	4.11075	3.98677	4.19446
1,000 Hungarian forints (HUF)	2.51756	2.61507	2.56522	2.55516	2.61803
100 Macedonian denars (MKD)	1.62420	1.62352	1.62618	1.62354	1.62354
100 Polish zlotys (PLN)	23.36260	23.05050	21.60740	23.22500	21.81770
1 U.S. dollar (USD)	0.89322	0.90506	0.94402	0.91989	0.92311

The following key discount rates were used when calculating the present value of defined benefit obligations:

%	Sept. 30, 2024	Dec. 31, 2023
Germany	3.37	3.49
United States	5.04	5.20
Switzerland	1.12	1.43

Changes in the composition of the Group and other transactions

In the first nine months of 2024, Deutsche Telekom conducted the following transaction with a material impact on the composition of the Group.

Acquisition of Ka’ena in the United States

On March 9, 2023, T-Mobile US entered into a Merger and Unit Purchase Agreement for the acquisition of 100 % of the outstanding equity of Ka’ena Corporation and its subsidiaries including, among others, Mint Mobile, for a maximum purchase price of USD 1.35 billion to be paid out 39 % in cash and 61 % in shares of T-Mobile US common stock. On March 13, 2024, T-Mobile US entered into an agreement amending the mechanics of payment, which will result in a nominal increase in the percentage of cash compared to shares of T-Mobile US common stock to be paid out as part of the total purchase price. The purchase price is variable dependent upon specified performance indicators of Ka’ena Corporation and consists of an upfront payment at deal close, subject to certain agreed-upon adjustments, and a variable earnout, payable on August 1, 2026. The amount of the upfront payment is expected to be finalized by the end of 2024.

The transaction was consummated on May 1, 2024. All necessary regulatory approvals had been duly granted and all other closing conditions met. Ka’ena is included in Deutsche Telekom’s consolidated financial statements as of May 1, 2024. Ka’ena is a provider of prepaid wireless services in the United States under its main brands Ultra Mobile and Mint Mobile, and also offers a selection of mobile devices. The acquisition strengthens the position of T-Mobile US as the leading prepaid wireless carrier by way of brand diversification and expansion of the sales presence, including the acquisition of prepaid customer relationships.

The acquisition meets the conditions for a business combination in accordance with IFRS 3. The purchase price allocation and the measurement of assets, liabilities, and the consideration transferred at the acquisition date had not been finalized as of September 30, 2024.

At closing of the transaction, T-Mobile US made an upfront payment of around USD 1.0 billion (EUR 0.9 billion) (taking into account working capital adjustments and other agreed purchase price adjustments), comprising a cash component of around USD 0.4 billion (EUR 0.4 billion) and around 3 million ordinary shares of T-Mobile US with a total value of around USD 0.5 billion (EUR 0.5 billion), determined on the basis of the closing share price as of April 30, 2024. Part of the upfront payment made as of the acquisition date was used to settle the pre-existing wholesale partner relationships with Ka'ena, and as such is not part of the fair value of the consideration transferred.

Based on the upfront payment made, an additional up to USD 0.4 billion (EUR 0.4 billion) in cash and ordinary shares in T-Mobile US shall become payable on August 1, 2026 if Ka'ena achieves specified performance indicators. This includes payments for future services of certain sellers for T-Mobile US in the period after the acquisition, and for the substitution of share-based payment for certain Ka'ena employees.

The preliminary fair value of the consideration transferred amounts to USD 1.2 billion (EUR 1.1 billion) as of the acquisition date, and breaks down as follows:

millions of €	Fair value at the acquisition date
Fair value of the T-Mobile US ordinary shares issued	488
Fair value of the cash component paid on the acquisition date	383
Fair value of the contingent consideration	169
Fair value of the other consideration	24
= Consideration transferred	**1,064**

The fair value of the contingent consideration was determined on the basis of the discounted cash flow method using the Monte Carlo simulation for the probability of occurrence of different outcomes. This measurement is based on significant inputs that are not observable on the market and, as such, is a Level 3 measurement. The key assumptions comprise Ka'ena's forecast performance indicators, primarily revenue, marketing expenses, and customer metrics, their likelihood of occurrence, and the discount rate.

For the fair value of the contingent and other consideration, an other non-current financial liability of USD 0.2 billion (EUR 0.2 billion) was recognized as of the acquisition date.

The preliminary fair values of Ka'ena's acquired assets and assumed liabilities are presented in the following table:

millions of €	Fair value at the acquisition date
Assets	
Current assets	**71**
Cash and cash equivalents	22
Trade receivables	31
Other financial assets	10
Other assets	4
Inventories	3
Non-current assets	**1,423**
Goodwill	682
Other intangible assets	685
Of which: customer base	504
Of which: brands	65
Of which: other	116
Right-of-use assets	2
Deferred tax assets	8
Other assets	46
Assets	**1,494**

millions of €	Fair value at the acquisition date
Liabilities and shareholders' equity	
Current liabilities	**260**
Lease liabilities	1
Trade and other payables	28
Other provisions	9
Contract liabilities	220
Other liabilities	2
Non-current liabilities	**170**
Lease liabilities	2
Other provisions	67
Deferred tax liabilities	101
Liabilities	**430**

The preliminary goodwill is calculated as follows:

millions of €	Fair value at the acquisition date
Consideration transferred	1,064
– Fair value of assets acquired	812
+ Fair value of liabilities assumed	430
= Goodwill	**682**

The preliminary goodwill comprises the expected growth in Ka'ena brands, which is to be generated through the combined business activities, Ka'ena's workforce, and intangible assets that do not qualify for separate recognition. It is expected that the preliminarily recognized goodwill will be deductible from income tax in the amount of EUR 0.1 billion.

The customer base was measured using the multi-period excess earnings method. Under this method, the fair value of the customer base is calculated by determining the present value of earnings after tax attributable to existing customers. The customer base is amortized over an estimated average remaining useful life of 6 years. The brands were measured using the relief-from-royalty method. Under this method, the value of the brand is calculated by making an assumption about which royalty rate would be notionally payable if the company did not own the relevant asset. The brands are amortized over an estimated average remaining useful life of 8 years.

No material transaction-related costs were incurred in connection with the acquisition from a Group perspective. The inclusion of Ka'ena Corporation in the consolidated financial statements has no material impact on Deutsche Telekom's results of operations.

The following transactions will change the composition of the Deutsche Telekom Group in the future:

Agreement on the acquisition of Lumos in the United States
On April 24, 2024, T-Mobile US entered into an agreement with the investment fund EQT on the acquisition of the fiber-to-the-home platform Lumos. The transaction is subject to regulatory approvals as well as other customary closing conditions and is expected to close in early 2025. Upon closing, T-Mobile US is expected to invest approximately USD 1.0 billion (EUR 0.9 billion) in the company to acquire a 50 % equity stake and all existing fiber customers, with the funds invested by T-Mobile US being used by Lumos for future fiber builds. In addition, T-Mobile US is expected to contribute an additional amount of approximately USD 0.5 billion (EUR 0.4 billion) between 2027 and 2028. Following closing of the transaction, the investment is expected to be included in the consolidated financial statements using the equity method.

Agreement on the acquisition of UScellular in the United States
On May 24, 2024, T-Mobile US entered into an agreement with the United States Cellular Corporation (UScellular), Telephone and Data Systems, Inc., and USCC Wireless Holdings, LLC, under which T-Mobile US will acquire, among other things, substantially all wireless activities of UScellular and specific spectrum licenses for a total purchase price of around USD 4.4 billion (EUR 3.9 billion). The purchase price is to be paid in cash and by way of the assumption of debt of up to USD 2.0 billion (EUR 1.8 billion) under an offer of exchange to certain debtors of UScellular before the closing of the transaction. To the extent that debtors do not participate in the exchange, their bonds will continue to be liabilities of UScellular, and the cash component of the purchase price will increase accordingly. The transaction is subject to regulatory approvals as well as other customary closing conditions and is expected to close in mid-2025. After closing, the acquired activities and assets are expected to be included in the consolidated financial statements as a business combination in accordance with IFRS 3. Following closing of the transaction, UScellular will continue to own the remaining spectrum and the cell towers, and

T-Mobile US will conclude a 15-year framework license agreement for the lease of at least 2,100 cell towers. Furthermore, the terms of existing lease agreements for around 600 cell towers that T-Mobile US already leases from UScellular will be extended by another 15 years after closing of the transaction.

Agreement on the acquisition of Metronet in the United States

On July 18, 2024, T-Mobile US entered into an agreement with KKR & Co. Inc. to acquire the fiber-to-the-home platform Metronet Holdings, LLC and certain of its affiliates (Metronet). The transaction is subject to regulatory approvals as well as other customary closing conditions and is expected to close in 2025. Upon closing, T-Mobile US is expected to invest approximately USD 4.9 billion (EUR 4.4 billion) in the joint venture to acquire a 50 % equity stake and all existing residential fiber customers, as well as to fund the joint venture. Following closing of the transaction, the investment is expected to be included in the consolidated financial statements using the equity method.

Other transactions that had no effect on the composition of the Group

Deutsche Telekom AG’s shareholder remuneration

On November 2, 2023, the Board of Management announced plans to buy back Deutsche Telekom AG shares up to a total purchase price of EUR 2 billion in the 2024 financial year as part of a share buy-back program. The buy-back commenced on January 3, 2024 and will be carried out in several tranches through December 31, 2024. The purpose of the share buy-back is to recoup part of the dilution effect from Deutsche Telekom AG’s 2021 capital increase. The repurchased shares will therefore be canceled. In the period from January 3, 2024 to September 30, 2024, Deutsche Telekom AG bought back around 64 million shares with a total volume of around EUR 1.5 billion under the share buy-back program.

In the period from October 1, 2024 to November 12, 2024, Deutsche Telekom AG bought back around 9 million additional shares with a total volume of around EUR 0.3 billion under the share buy-back program.

T-Mobile US’ shareholder return program from September 2023

On September 6, 2023, T-Mobile US announced that its Board of Directors has authorized a shareholder return program of up to USD 19 billion that will run from October 1, 2023 through December 31, 2024. The program comprises additional share buy-backs and dividends to be paid out. The amount available for share buy-backs will be reduced by the amount of any dividends approved by the Board of Directors of T-Mobile US.

In the first nine months of 2024, T-Mobile US bought back around 39 million shares with a total volume of around USD 6.5 billion (EUR 6.0 billion) under this share buy-back program. On January 24, 2024, the T-Mobile US Board of Directors declared a cash dividend of USD 0.65 per share, which was paid out on March 14, 2024 to the shareholders registered as of close of business on March 1, 2024. EUR 0.4 billion of the cash dividend was attributable to Deutsche Telekom’s stake and EUR 0.4 billion to non-controlling interests in T-Mobile US. On March 15, 2024, the T-Mobile US Board of Directors declared a further cash dividend of USD 0.65 per share, which was paid out on June 13, 2024 to the shareholders registered as of close of business on May 31, 2024. EUR 0.3 billion of the cash dividend was attributable to Deutsche Telekom’s stake and EUR 0.3 billion to non-controlling interests in T-Mobile US. On June 13, 2024, the T-Mobile US Board of Directors declared a further cash dividend of USD 0.65 per share, which was paid out on September 12, 2024 to the shareholders registered as of close of business on August 30, 2024. EUR 0.4 billion of the cash dividend was attributable to Deutsche Telekom’s stake and EUR 0.4 billion to non-controlling interests in T-Mobile US. On September 18, 2024, the T-Mobile US Board of Directors declared a further cash dividend of USD 0.88 per share, which is to be paid out on December 12, 2024 to the shareholders registered as of close of business on November 27, 2024. Furthermore, in the period from October 1, 2024 to October 18, 2024, T-Mobile US bought back around 4 million additional shares with a total volume of around USD 0.9 billion (EUR 0.8 billion) under the share buy-back program.

For further information on the overview of dividend payments attributable to non-controlling interests in T-Mobile US, please refer to the section “Shareholders’ equity.”

Sale of T-Mobile US shares by Deutsche Telekom

In the reporting period, Deutsche Telekom sold a portion of its T-Mobile US share portfolio on the market, without jeopardizing its control over T-Mobile US. In this context, Deutsche Telekom sold around 23 million T-Mobile US shares with a total volume of around EUR 3.6 billion. Deutsche Telekom announced on July 2, 2024 that it was suspending share sales initially until September 26, 2024. The sales plan was terminated on September 24, 2024.

Acquisition of T-Mobile US shares by Deutsche Telekom
On June 7, 2024, Deutsche Telekom exercised fixed-price options agreed in June 2020 on shares in T-Mobile US held by SoftBank to acquire around 7 million additional T-Mobile US shares for a total purchase price of USD 0.7 billion (EUR 0.6 billion). The fixed exercise price originally agreed of USD 101.46 per share was adjusted to USD 99.51 to account for the dividend payments made by T-Mobile US. The agreement allowed Deutsche Telekom to acquire the shares at a discount of around 45 % compared to the closing share price on the exercise date of USD 179.82. Upon completion of the transaction, Deutsche Telekom had exercised all fixed-price options received from SoftBank. The remaining options to buy at a volume-weighted average price (floating options) were not exercised and expired in the second quarter of 2024.

As of September 30, 2024, Deutsche Telekom's stake in T-Mobile US amounted to 46.3 %. Taking the treasury shares held by T-Mobile US into account, Deutsche Telekom had a 50.5 % ownership stake in T-Mobile US as of September 30, 2024. The shares issued to SoftBank are subject to the proxy agreement between SoftBank and Deutsche Telekom. The percentage of T-Mobile US shares for which Deutsche Telekom can exercise voting rights, based on the agreement concluded with SoftBank in connection with the acquisition of Sprint, amounted to 57.6 % as of September 30, 2024.

Selected notes to the consolidated statement of financial position

Trade receivables
At EUR 14.3 billion, trade receivables decreased by EUR 1.8 billion against the 2023 year-end level. This was on account of lower receivables in the United States operating segment due to a lower number of new contracts with equipment installment plans, as well as lower receivables from the termination of government assistance programs and from wholesale partners. Furthermore, receivables declined in the Germany operating segment. Exchange rate effects, mainly from the translation of U.S. dollars into euros, also decreased the carrying amount.

Contract assets
The carrying amount of contract assets at the reporting date totaled EUR 2.6 billion compared with EUR 2.4 billion as of December 31, 2023. Contract assets relate to receivables that have not yet legally come into existence, which arise from the earlier – as compared to billing – recognition of revenue, in particular from the sale of goods and merchandise. Furthermore, receivables from long-term construction contracts are recognized under contract assets.

Inventories
The carrying amount of inventories increased by EUR 0.1 billion against the 2023 year-end level to EUR 2.5 billion. It was increased by stockpiling for the market launch of high-value mobile terminal equipment in the United States and Germany operating segments. The reduction of stocks of less expensive terminal equipment due to the termination of government assistance programs in the United States operating segment had an offsetting effect.

Intangible assets
The carrying amount of intangible assets decreased by EUR 0.3 billion compared to December 31, 2023 to EUR 135.7 billion. Depreciation, amortization and impairment losses of EUR 5.0 billion and exchange rate effects of EUR 1.7 billion, primarily from the translation of U.S. dollars into euros, decreased the carrying amount. The reclassifications of intangible assets to non-current assets and disposal groups held for sale also reduced the carrying amount by EUR 1.0 billion and arose primarily in connection with agreed transactions concerning the exchange of spectrum licenses in the United States operating segment. Additions increased the carrying amount by EUR 6.0 billion, EUR 2.6 billion of which related to the acquisition of mobile spectrum in the United States operating segment, in particular for the acquisition of the first tranche of spectrum licenses in the 600 MHz band in connection with the agreements described below between T-Mobile US and Channel 51. Effects of changes in the composition of the Group resulting from the acquisition of Ka'ena in the United States operating segment increased the carrying amount by EUR 1.4 billion, EUR 0.7 billion of which related to the goodwill acquired in this connection.

For further information on the acquisition of Ka'ena, please refer to the section "Changes in the composition of the Group and other transactions."

On October 15, 2024 (after the reporting period), T-Mobile US closed on an agreement with a third party for the exchange of certain of its 39 GHz spectrum licenses. The fair value of the spectrum licenses received is expected to amount to USD 1.0 billion (EUR 0.9 billion). The exchange transaction is expected to result in other operating income of USD 0.1 billion (EUR 0.1 billion).

The following transactions will have an impact on the presentation of Deutsche Telekom's results of operations and financial position in the future:

On August 8, 2022, T-Mobile US entered into agreements with Channel 51 License Co LLC and LB License Co, LLC (Sellers) for the acquisition of spectrum licenses in the 600 MHz band in exchange for a total cash consideration of USD 3.5 billion (EUR 3.1 billion). The licenses are to be acquired without any associated network assets. T-Mobile US currently utilizes these licenses under an existing arrangement with the Sellers covering fixed-term spectrum leases. On March 30, 2023, the contractual parties further agreed that the transaction be divided into two separate tranches. The transfer of the licenses in accordance with the agreements is subject to regulatory approvals and certain other customary closing conditions. The Federal Communications Commission (FCC) approved the first tranche of the license transfer on December 29, 2023. It was concluded on June 24, 2024, with the corresponding purchase price payment of USD 2.4 billion (EUR 2.1 billion) being made on August 5, 2024. On October 22, 2024 (after the reporting period), the FCC approved the transfer of the Dallas licenses included in the second tranche. The closing of the transfer of these licenses and the associated payment of USD 0.5 billion (EUR 0.5 billion) is expected to occur in December 2024. The transfer transaction for the remaining licenses from the second tranche is expected to be closed in 2025.

On September 12, 2023, T-Mobile US agreed with U.S. cable network operator Comcast to acquire spectrum in the 600 MHz band in exchange for total cash consideration of between USD 1.2 billion and USD 3.3 billion (EUR 1.1 billion and EUR 2.9 billion). The transaction is subject to approval by the FCC. At the same time, T-Mobile US and Comcast have agreed exclusive leasing arrangements for these spectrum licenses. The transaction is expected to close in the first half of 2028, pending approval from the FCC.

On July 1, 2020, T-Mobile US and DISH Network Corporation (DISH) reached an agreement on the sale of spectrum licenses, under which DISH agreed to purchase certain 800 MHz spectrum licenses from T-Mobile US for USD 3.6 billion (EUR 3.2 billion). On October 15, 2023, T-Mobile US and DISH modified the agreement to include, among other changes, a non-refundable extension fee of USD 0.1 billion (EUR 0.1 billion), which DISH paid to T-Mobile US on October 25, 2023, as well as the requirement that the purchase of the spectrum licenses must be finalized by April 1, 2024. As of April 1, 2024, DISH had not exercised the purchase option. The already paid extension fee was retained in accordance with the agreement and recognized in profit or loss as other operating income in the second quarter of 2024. T-Mobile US was contractually obligated to offer the licenses for sale at auction. The associated auction process ended on October 1, 2024. Since bidding did not reach the defined minimum purchase price of USD 3.6 billion by the end of the auction, T-Mobile US was relieved of its obligation to sell the licenses. T-Mobile US is currently exploring alternatives to sell or utilize the licenses.

On September 10, 2024, T-Mobile US and N77 License Co LLC (N77) concluded a license purchase agreement, pursuant to which N77 has the option to purchase all or a portion of T-Mobile US' remaining 3.45 GHz spectrum licenses for a purchase price in the form of a range of cash consideration. The number of licenses sold will be determined based upon the amount of committed financing raised by the buyer. The carrying amount of the licenses subject to the license purchase agreement amounted to USD 2.7 billion (EUR 2.4 billion) as of September 30, 2024. In addition, it was agreed that N77 will notify T-Mobile US in writing of the amount of the committed financing by December 9, 2024. T-Mobile US reserves the right to terminate the license purchase agreement no later than February 7, 2025, if the buyer's committed financing is less than a certain target level of the cash consideration. The transaction is subject to approval by the FCC.

Property, plant and equipment

The carrying amount of property, plant and equipment decreased from EUR 65.0 billion as of December 31, 2023 to EUR 63.4 billion. Depreciation, amortization and impairment losses of EUR 8.9 billion, exchange rate effects of EUR 0.4 billion, primarily from the translation of U.S. dollars into euros, and disposals of EUR 0.2 billion decreased the carrying amount. Additions, primarily for the upgrade and build-out of the network (broadband, fiber-optic, and mobile infrastructure) increased the carrying amount by EUR 7.5 billion. Reclassifications of lease assets upon expiry of the contractual lease term to property, plant and equipment, primarily for network technology in the United States operating segment, increased the carrying amount by EUR 0.3 billion.

Right-of-use assets

The carrying amount of the right-of-use assets decreased by EUR 1.9 billion compared to December 31, 2023 to EUR 30.9 billion. Depreciation and impairment losses reduced the carrying amount by EUR 4.0 billion. The aforementioned reclassifications of lease assets to property, plant and equipment, and exchange rate effects, primarily from the translation of U.S. dollars into euros, also both reduced the carrying amount by EUR 0.3 billion. The carrying amount was increased by additions of EUR 2.8 billion.

Capitalized contract costs

As of September 30, 2024, the carrying amount of capitalized contract costs remained at the level as of December 31, 2023 of EUR 3.5 billion. The capitalized contract costs primarily relate to the United States and Germany operating segments.

Investments accounted for using the equity method

The carrying amount of investments accounted for using the equity method increased by EUR 1.5 billion compared to December 31, 2023, to EUR 6.1 billion. This was primarily attributable to reversals of impairment losses recognized in the reporting period of EUR 1.0 billion and EUR 0.3 billion, respectively, on the carrying amounts of the investments in the GD tower companies and in GlasfaserPlus. These reversals of impairment losses were, at the GD tower companies entirely, and at GlasfaserPlus almost entirely, due to lower discount rates as a result of macroeconomic developments in the reporting period and changes within the peer group. Capital increases in the investments in GlasfaserPlus and Glasfaser NordWest also increased the respective carrying amount by EUR 0.1 billion.

Other financial assets

millions of €

	Sept. 30, 2024	Dec. 31, 2023
	Total	Total
Originated loans and receivables	5,777	6,538
Of which: collateral paid	1,349	1,708
Of which: other receivables – publicly funded projects	1,712	1,863
Debt instruments – measured at fair value through profit or loss	258	652
Derivative financial assets	1,173	1,780
Of which: derivatives with a hedging relationship	694	658
Of which: derivatives without a hedging relationship	479	1,122
Equity instruments – measured at fair value through profit or loss	4	4
Equity instruments – measured at fair value through other comprehensive income	526	422
Lease assets	180	197
	7,917	**9,593**

The carrying amount of current and non-current other financial assets decreased by EUR 1.7 billion compared to December 31, 2023 to EUR 7.9 billion. The net total of originated loans and receivables decreased by EUR 0.8 billion to EUR 5.8 billion, mainly due to lower collateral paid for derivatives due to normal fluctuations in fair value (EUR 0.4 billion), unscheduled repayments of shareholder loans to the GD tower companies (EUR 0.2 billion), and lower receivables from publicly funded projects (EUR 0.2 billion). In the course of renegotiations and contract adjustments with IFM Global Infrastructure Fund on the continuation of the joint fiber-optic rollout at GlasfaserPlus, Deutsche Telekom agreed to forgo the contingent consideration receivable. As a result, the carrying amount of debt instruments decreased by EUR 0.4 billion to EUR 0.3 billion. The carrying amount of the derivatives without a hedging relationship decreased by EUR 0.6 billion, in particular in connection with the options to acquire additional T-Mobile US shares exercised by Deutsche Telekom on June 7, 2024 (EUR 0.4 billion) and the decrease in the carrying amounts of termination rights embedded in bonds issued by T-Mobile US (EUR 0.1 billion).

For information on cash collateral deposited and on derivatives, please refer to the section "Disclosures on financial instruments."

Other assets

The carrying amount of current and non-current other assets increased by EUR 0.3 billion to EUR 3.9 billion. As of September 30, 2024, this included various advance payments, totaling EUR 3.1 billion (December 31, 2023: EUR 2.9 billion), mainly including advance payments for maintenance, repairs, and in connection with agreements on services for certain mobile communications and fixed-network equipment that do not fall under the scope of IFRS 16. Receivables from other taxes also increased by EUR 0.1 billion. By contrast, exchange rate effects, mainly from the translation from U.S. dollars into euros, decreased the carrying amount.

Non-current assets and disposal groups held for sale

The carrying amount of non-current assets and disposal groups held for sale as of September 30, 2024 was EUR 1.0 billion, up EUR 0.8 billion on the level of December 31, 2023. This increase is primarily attributable to the transactions agreed between T-Mobile US and other telecommunications companies for the exchange of spectrum licenses in order to improve mobile network coverage.

Financial liabilities and lease liabilities

The following table shows the composition and maturity structure of **financial liabilities** as of September 30, 2024:

millions of €

	Sept. 30, 2024	Due within 1 year	Due > 1 ≤ 5 years	Due > 5 years	Dec. 31, 2023
Bonds and other securitized liabilities	92,131	6,268	30,435	55,428	87,773
Liabilities to banks	3,226	1,070	1,378	779	3,560
	95,356	**7,337**	**31,813**	**56,206**	**91,333**
Liabilities with the right of creditors to priority repayment in the event of default	1,422	563	858	0	2,067
Other interest-bearing liabilities	6,174	1,096	2,542	2,536	6,628
Liabilities from deferred interest	1,160	1,160	0	0	1,009
Other non-interest-bearing liabilities	1,379	1,242	85	52	921
Derivative financial liabilities	2,386	100	449	1,837	2,564
	12,522	**4,162**	**3,934**	**4,425**	**13,189**
Financial liabilities	**107,878**	**11,500**	**35,747**	**60,632**	**104,522**
Lease liabilities	**38,426**	**5,435**	**16,784**	**16,207**	**40,792**

The carrying amount of current and non-current financial liabilities increased by EUR 3.4 billion compared with year-end 2023 to EUR 107.9 billion, primarily due to the factors described below. Exchange rate effects, in particular from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 1.1 billion in total.

The carrying amount of bonds and other securitized liabilities increased by EUR 4.4 billion to EUR 92.1 billion. The carrying amount was increased by USD bonds issued by T-Mobile US in the reporting period with a volume of USD 5.5 billion (EUR 4.9 billion) with terms ending between 2029 and 2055 and bearing interest of between 4.2 and 5.50 %, EUR bonds with a volume of EUR 2.0 billion with terms ending between 2029 and 2036 and bearing interest of between 3.55 and 3.85 %, and by asset-backed securities (ABS notes) with a volume of USD 0.5 billion (EUR 0.5 billion) with terms ending in 2029 and bearing interest of 5.05 %. The carrying amount was also increased by the issue of EUR bonds of EUR 0.9 billion by Deutsche Telekom AG, with terms ending in 2036 and 2044 and bearing interest of 3.25 % to 3.56 %. The carrying amount was reduced by the scheduled repayment of a EUR bond in the amount of EUR 0.8 billion and of a USD bond in the amount of USD 2.5 billion (EUR 2.3 billion). In addition, the carrying amount increased by EUR 0.3 billion in connection with measurement effects from derivatives with a hedging relationship, for which the offsetting entry is posted under bonds and other securitized liabilities. Exchange rate effects decreased the carrying amount of bonds and other securitized liabilities by EUR 1.0 billion.

As of September 30, 2024, the carrying amount of liabilities to banks decreased by EUR 0.3 billion against the level of December 31, 2023 to EUR 3.2 billion, mainly due to the repayment of an EIB loan by Deutsche Telekom AG in the amount of EUR 0.4 billion.

The liabilities with the right of creditors to priority repayment in the event of default of EUR 1.4 billion (December 31, 2023: EUR 2.1 billion) relate primarily to bonds issued by Sprint. Collateral was provided for these bonds, hence they constitute a separate class of financial instruments. The main factor reducing the carrying amount was repayments made in the reporting period in the amount of EUR 0.6 billion when translated into euros. At the reporting date, cash and cash equivalents with a carrying amount of EUR 71 million (December 31, 2023: EUR 64 million) when translated into euros were pledged as collateral for these bonds.

The carrying amount of other interest-bearing liabilities decreased by EUR 0.5 billion compared with December 31, 2023 to EUR 6.2 billion. Scheduled repayments by T-Mobile US reduced the carrying amount by EUR 0.2 billion, the majority of which related to payments made in connection with the existing agreement on IP transit services, concluded with Cogent as part of the sale of the Wireline Business. Likewise, scheduled repayments of loans for the acquisition of 5G licenses in the Germany operating segment reduced the carrying amount by EUR 0.2 billion. By contrast, the recognition of a liability for the contingent and other consideration paid for the acquisition of Ka'ena increased the carrying amount by EUR 0.2 billion. Exchange rate effects decreased the carrying amount of other interest-bearing liabilities by EUR 0.1 billion.

For further information on the acquisition of Ka'ena, please refer to the section "Changes in the composition of the Group and other transactions."

The carrying amount of other non-interest-bearing liabilities increased by EUR 0.5 billion to EUR 1.4 billion, mainly due to the stake of the cash dividend of USD 0.88 per share – declared by the Board of Directors of T-Mobile US on September 18, 2024 – attributable to non-controlling interests in T-Mobile US.

For further information on the shareholder return program at T-Mobile US, please refer to the section "Other transactions that had no effect on the composition of the Group."

The carrying amount of derivative financial liabilities decreased by EUR 0.2 billion compared with December 31, 2023 to EUR 2.4 billion. It was reduced by measurement effects from interest rate swaps in fair value hedges of EUR 0.3 billion. By contrast, gains on derivatives in cash flow hedges increased the carrying amount by EUR 0.1 billion.

For further information on derivative financial liabilities, please refer to the section "Disclosures on financial instruments."

The carrying amount of current and non-current **lease liabilities** decreased by EUR 2.4 billion to EUR 38.4 billion compared with December 31, 2023. Lease liabilities in the United States operating segment decreased by EUR 1.7 billion, mainly due to the decommissioning of the former Sprint's wireless network and a decline in network and build-out investments, primarily on account of higher capital efficiency resulting from the accelerated build-out of the nationwide 5G network in the prior year. Lease liabilities in the Germany operating segment decreased by EUR 0.2 billion and in the Group Headquarters & Group Services segment by EUR 0.1 billion. Exchange rate effects, in particular from the translation of U.S. dollars into euros, reduced the carrying amount by EUR 0.4 billion.

Trade and other payables

The carrying amount of trade and other payables decreased by EUR 3.2 billion to EUR 7.7 billion. This was due to lower liabilities in the United States, Europe, and Germany operating segments. Exchange rate effects, in particular from the translation from U.S. dollars into euros, also decreased the carrying amount.

Provisions for pensions and other employee benefits
The carrying amount of provisions for pensions and other employee benefits decreased by EUR 0.8 billion compared with December 31, 2023 to EUR 3.3 billion. Overall, the remeasurement of defined benefit plans resulted in an actuarial gain of EUR 0.7 billion to be recognized directly in equity, mainly due to the increase in the fair values of plan assets compared with December 31, 2023. The decline in the discount rate compared with December 31, 2023 had a slight offsetting effect. Benefits paid directly by the employer in the reporting period also contributed to the reduction in the carrying amount.

Current and non-current other provisions
The carrying amount of current and non-current other provisions decreased by EUR 0.8 billion compared with the end of 2023 to EUR 7.3 billion. Other provisions for personnel costs decreased by EUR 0.2 billion overall, mainly due to an interest-rate based decline in the carrying amount of the provision recognized for the Civil Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK). Provisions for termination benefits also decreased by EUR 0.2 billion, partly as a result of the program implemented to reduce the workforce in the United States operating segment, and the provisions for restoration obligations by EUR 0.2 billion. Furthermore, provisions for procurement and sales support decreased by EUR 0.1 billion and provisions for process risks by EUR 0.1 billion.

Other liabilities
The carrying amount of current and non-current other liabilities increased by EUR 0.1 billion to EUR 5.4 billion, mainly due to an increase in liabilities from other taxes by EUR 0.3 billion. By contrast, liabilities in connection with publicly funded projects decreased by EUR 0.2 billion.

Current and non-current contract liabilities
The carrying amount of current and non-current contract liabilities increased by EUR 0.5 billion compared with December 31, 2023 to EUR 3.2 billion. These substantially include deferred revenues. In the United States operating segment, contract liabilities increased by EUR 0.2 billion, mainly due to the current contract liabilities assumed in connection with the acquisition of Ka'ena. Furthermore, contract liabilities in the Germany operating segment increased by EUR 0.2 billion.

For further information on the acquisition of Ka'ena, please refer to the section "Changes in the composition of the Group and other transactions."

Shareholders' equity
The carrying amount of shareholders' equity increased by EUR 1.2 billion as of December 31, 2023 to EUR 92.4 billion, with profit of EUR 11.1 billion and capital increases from share-based payments of EUR 0.5 billion having an increasing effect. Shareholders' equity was reduced in connection with dividend payments for the 2023 financial year to Deutsche Telekom AG shareholders in the amount of EUR 3.8 billion and to other shareholders of subsidiaries in the amount of EUR 1.7 billion. The latter figure includes cash dividends of EUR 1.5 billion paid by T-Mobile US to non-controlling interests, as declared in the reporting period. Transactions with owners reduced the carrying amount of shareholders' equity by EUR 3.2 billion, due in particular to the T-Mobile US share buy-back program from September 2023. Furthermore, the carrying amount was reduced by Deutsche Telekom AG's share buy-back program that started in January 2024 with share buy-backs of EUR 1.5 billion. Other comprehensive income decreased the carrying amount by EUR 0.2 billion, mainly due to currency translation effects recognized directly in equity of EUR -0.9 billion and income taxes relating to components of other comprehensive income of EUR -0.1 billion. The remeasurement of defined benefit plans of EUR 0.7 billion and gains from the remeasurement of debt instruments of EUR 0.1 billion had an increasing effect.

For further information on Deutsche Telekom AG's share buy-back program and the share buy-back/shareholder return programs at T-Mobile US, please refer to the section "Other transactions that had no effect on the composition of the Group."

The following table shows the changes in the composition of the Group and the development of transactions with owners:

millions of €

	Sept. 30, 2024			Dec. 31, 2023		
	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	Issued capital and reserves attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Changes in the composition of the Group	**0**	**(1)**	**(1)**	**0**	**(4)**	**(4)**
Other effects	0	(1)	(1)	0	(4)	(4)
Transactions with owners	**(429)**	**(2,803)**	**(3,232)**	**(5,078)**	**(7,378)**	**(12,456)**
T-Mobile US: Share buy-backs/transfer of shares to SoftBank/share-based payment/Ka'ena Acquisition	(389)	(2,686)	(3,075)	(5,034)	(7,183)	(12,217)
OTE share buy-back	(31)	(63)	(94)	(58)	(119)	(177)
Hrvatski Telekom share buy-back	(2)	(5)	(6)	(3)	(19)	(22)
Magyar Telekom share buy-back	(8)	(49)	(57)	17	(56)	(39)
Other effects	0	0	0	0	0	0

Selected notes to the consolidated income statement

As a result of the sales agreement concluded on July 13, 2022, the GD tower companies had been recognized as a discontinued operation from the third quarter of 2022 until their sale on February 1, 2023. Thus, the contributions by the GD tower companies were no longer included in the individual items of the consolidated income statement in the prior-year period. Instead, profit or loss after taxes was disclosed in aggregate form in the item "Profit/loss after taxes from discontinued operation."

Net revenue

Net revenue breaks down into the following revenue categories:

millions of €

	Q1-Q3 2024	Q1-Q3 2023
Service revenues	**71,700**	**69,029**
Germany	16,771	16,440
United States	45,280	43,508
Europe	7,662	7,209
Systems Solutions	2,878	2,792
Group Development	0	0
Group Headquarters & Group Services	715	756
Reconciliation	(1,606)	(1,676)
Non-service revenues	**13,138**	**13,572**
Germany	2,361	2,158
United States	9,304	9,947
Europe	1,480	1,469
Systems Solutions	87	73
Group Development	6	9
Group Headquarters & Group Services	944	962
Reconciliation	(1,045)	(1,046)
Net revenue	**84,838**	**82,601**

The service revenues essentially comprise predictable and/or recurring revenues from Deutsche Telekom's core activities. These relate to revenues that are generated from services (i.e., revenues from fixed and mobile network voice services, incoming and outgoing calls, as well as data services) plus roaming revenues, monthly basic charges and visitor revenues, as well as revenues from the ICT business. Service revenues also include revenues earned in connection with premium services for customers, such as reinsurance for device insurance policies and extended warranties.

In the reporting period, revenue from insurance contracts in the scope of IFRS 17 of EUR 3.4 billion (Q1-Q3 2023: EUR 3.4 billion) and insurance service expenses of EUR 2.3 billion (Q1-Q3 2023: EUR 2.3 billion) were recognized in the Group.

Non-service revenues mainly comprise one-time and variable revenues, e.g., revenue from the sale or rental of fixed-network or mobile devices, from value-added services, from application and contract services, revenue with virtual network operators, one-time revenue from the build-out of technical infrastructure, and revenue from vehicle and property leasing.

Net revenue includes revenue from the use of entity assets by others in the scope of IFRS 16 in the amount of EUR 0.7 billion (Q1-Q3 2023: EUR 0.9 billion). Of the revenue from the use of entity assets by others reported in net revenue, EUR 0.5 billion (Q1-Q3 2023: EUR 0.6 billion) relates to service revenues and EUR 0.1 billion (Q1-Q3 2023: EUR 0.3 billion) to non-service revenues.

For information on changes in net revenue, please refer to the section "Development of business in the Group" in the interim Group management report.

Other operating income

millions of €

	Q1-Q3 2024	Q1-Q3 2023
Income from the reversal of impairment losses on non-current assets	1	1
Income from the disposal of non-current assets	210	186
Income from reimbursements	87	97
Income from insurance compensation	64	119
Income from ancillary services	25	34
Miscellaneous other operating income	432	484
Of which: gains resulting from deconsolidations and from the sale of stakes accounted for using the equity method	0	19
	818	**922**

Miscellaneous other operating income included, among others, the non-refundable extension fee of EUR 0.1 billion recognized in the United States operating segment, which arose in connection with an agreement on the sale of spectrum licenses concluded between T-Mobile US and DISH Network Corporation (DISH). In the prior year, income from insurance compensation mainly related to refunds from insurance companies for expenses incurred in connection with the cyberattack on T-Mobile US in August 2021.

For further information on the agreement between T-Mobile US and DISH, please refer to the section "Intangible assets."

Other operating expenses

millions of €

	Q1-Q3 2024	Q1-Q3 2023
Impairment losses on financial assets	(967)	(836)
Gains (losses) from the write-off of financial assets measured at amortized cost	(13)	(6)
Other	(3,308)	(2,850)
Legal and audit fees	(334)	(314)
Losses from asset disposals	(196)	(201)
Income (losses) from the measurement of factoring receivables	0	0
Other taxes	(372)	(468)
Cash and guarantee transaction costs	(370)	(455)
Insurance expenses	(139)	(136)
Miscellaneous other operating expenses	(1,897)	(1,277)
Of which: losses resulting from deconsolidations and from the sale of stakes accounted for using the equity method	(2)	(4)
	(4,288)	**(3,693)**

Miscellaneous other operating expenses include expenses of EUR 0.5 billion (Q1-Q3 2023: EUR 0.4 billion) for data storage in data centers, in cloud applications, or other IT services, and of EUR 0.3 billion (Q1-Q3 2023: EUR 0.3 billion) for regulatory duties in the United States operating segment. In addition, miscellaneous other operating expenses included the forgone contingent consideration receivable of EUR 0.4 billion from IFM Global Infrastructure Fund from the continuation of the joint fiber-optic rollout at GlasfaserPlus.

For further information on the renegotiations between IFM Global Infrastructure Fund and Deutsche Telekom, please refer to the section "Other financial assets."

Depreciation, amortization and impairment losses

At EUR 17.9 billion, depreciation, amortization and impairment losses on intangible assets, property, plant and equipment, and right-of-use assets were EUR 0.1 billion higher in the first three quarters of 2024 than in the prior-year period, which was mainly attributable to depreciation and amortization. In the United States operating segment, higher depreciation expense in connection with accelerations of certain technology assets as part of T-Mobile US modernizing its network, technology systems, and platforms was partly offset by lower depreciation of right-of-use assets. In the Germany operating segment, depreciation and amortization increased, partly as a result of the sale and leaseback of passive network infrastructure in connection with the sale of the GD tower companies. No significant impairment losses were recorded in the reporting period. In the prior-year period, impairment losses stood at EUR 0.1 billion.

Profit/loss from financial activities

Loss from financial activities decreased year-on-year from EUR 4.4 billion to EUR 3.1 billion, mainly due to the factors described below.

The share of profit of associates and joint ventures included in the consolidated financial statements accounted for using the equity method increased by EUR 1.3 billion compared with the prior-year period to EUR 1.3 billion. This was primarily attributable to reversals of impairment losses recognized in the reporting period of EUR 1.0 billion and EUR 0.3 billion, respectively, on the carrying amounts of the investments in the GD tower companies and in GlasfaserPlus. These reversals of impairment losses were, at the GD tower companies entirely, and at GlasfaserPlus almost entirely, due to lower discount rates as a result of macroeconomic developments in the reporting period and changes within the peer group. Level 3 input parameters were used to determine the pro rata recoverable amounts – as fair value less costs of disposal – of EUR 4.4 billion for the GD tower companies and of EUR 0.7 billion for GlasfaserPlus (after deduction of net debt). Discount rates of 6.59 % for the GD tower companies and 5.14 % for GlasfaserPlus were used.

Other financial income remained stable, due on the one hand to lower interest expense from the measurement of provisions and liabilities compared with the prior-year period. This was attributable to the subsequent measurement using actuarial principles of the present value of the provision recognized for the Civil Service Health Insurance Fund (Postbeamtenkrankenkasse – PBeaKK). On the other hand, gains/losses from financial instruments decreased other financial income.

Finance costs increased slightly from EUR 4.2 billion in the prior-year period to EUR 4.3 billion.

For further information, please refer to the section "Investments accounted for using the equity method."

For further information, please refer to the section "Disclosures on financial instruments."

Income taxes

A tax expense of EUR 3.6 billion was recorded in the first three quarters of 2024. The tax amount essentially reflects the shares of the different countries in profit before income taxes and their respective national tax rates. However, the effective tax rate decreased in particular by the recognized reversal of an impairment loss on the carrying amounts of the stake in the GD tower companies that had no effect on tax.

Profit/loss after taxes from discontinued operation

The sale of the GD tower companies was consummated on February 1, 2023, and these companies have no longer been part of the Group since that date. The development presented in the prior-year period contains the contributions to earnings for the first month of 2023. The following table provides a breakdown of profit/loss after taxes from the discontinued operation:

millions of €	Q1-Q3 2024	Q1-Q3 2023
Net revenue	**0**	**15**
Other operating income	0	12,926
Changes in inventories	0	0
Own capitalized costs	0	0
Goods and services purchased	0	69
Personnel costs	0	(6)
Other operating expenses	0	0
EBITDA	**0**	**13,004**
Depreciation, amortization and impairment losses	0	0
Profit (loss) from operations (EBIT)	**0**	**13,004**
Finance costs	0	(14)
Other financial income (expense)	0	(2)
Profit (loss) from financial activities	**0**	**(16)**
Profit (loss) before income taxes	**0**	**12,989**
Income taxes	0	706
Profit (loss) after taxes from discontinued operation	**0**	**13,694**

In the prior-year period, other operating income of EUR 12.9 billion related to the deconsolidation gain realized from the loss of control over the GD tower companies. Income from income taxes resulted from deferred tax effects arising in connection with the concluded sale-and-leaseback transaction.

Other disclosures

Notes to the consolidated statement of cash flows

Net cash from operating activities

At EUR 30.7 billion, net cash from operating activities was EUR 2.1 billion higher than in the prior-year period. The ongoing strong development of the operating business was offset in part by an increase in tax payments of EUR 0.3 billion and an increase in net interest payments of EUR 0.1 billion, among other effects.

Net cash used in/from investing activities

millions of €

	Q1-Q3 2024	Q1-Q3 2023
Cash outflows for investments in intangible assets	(5,932)	(3,711)
Cash outflows for investments in property, plant and equipment	(8,438)	(9,990)
Proceeds from the disposal of property, plant and equipment, and intangible assets	95	82
Payments for publicly funded investments in the broadband build-out	(291)	(237)
Proceeds from public funds for investments in the broadband build-out	236	244
Net cash outflows for short-term investments in government bonds	0	(100)
Net cash flows for collateral deposited and hedging transactions	421	68
Changes in cash and cash equivalents in connection with the upfront payment made for the Ka'ena Acquisition [a]	(368)	0
Other changes in cash and cash equivalents in connection with the acquisition of control of subsidiaries and associates	0	(4)
Changes in cash and cash equivalents in connection with the sale of the 51 % stake in the GD tower companies [b]	0	7,598
Changes in cash and cash equivalents in connection with the sale of T-Mobile US' fiber-optic-based Wireline Business [c]	0	13
Other changes in cash and cash equivalents in connection with the loss of control of subsidiaries and associates	2	15
Other	(6)	(76)
Net cash (used in) from investing activities	**(14,281)**	**(6,100)**
Of which: from discontinued operation	0	(17)

[a] Includes, in addition to the cash component of the upfront payment made of EUR 383 million, inflows of cash and cash equivalents in the amount of EUR 22 million and payments made in the third quarter of 2024 of EUR 7 million in connection with further portions of the purchase price.

[b] Includes, in addition to the cash inflow of EUR 7,695 million for the sale of the 51 % equity stake, outflows of cash and cash equivalents in the amount of EUR 97 million.

[c] Includes, in addition to the cash inflow of EUR 56 million for the sale of the Wireline Business, outflows of cash and cash equivalents in the amount of EUR 43 million.

At EUR 14.4 billion, cash outflows for investments in intangible assets and property, plant and equipment were EUR 0.7 billion higher than in the prior-year period. In the reporting period, cash outflows of EUR 2.4 billion in total were recorded for the acquisition of mobile spectrum licenses in the United States operating segment. EUR 2.1 billion of this related to the acquisition of spectrum licenses from Channel 51, and EUR 0.2 billion to the acquisition of other FCC licenses. In the prior year, this item had included cash outflows for the acquisition of mobile spectrum licenses of EUR 0.3 billion in the United States operating segment and of EUR 0.2 billion in the Europe operating segment. Excluding investments in mobile spectrum licenses, cash outflows for investments in intangible assets and property, plant and equipment were down EUR 1.3 billion year-on-year. Cash outflows in the United States operating segment decreased by EUR 1.4 billion, in particular due to higher cash outflows for investments in prior years for the accelerated build-out of the 5G network. In the Germany operating segment, by contrast, cash outflows increased by EUR 0.2 billion.

Net cash used in/from financing activities

millions of €	Q1-Q3 2024	Q1-Q3 2023
Issuance of bonds	8,331	7,880
Repayment of bonds	(3,154)	(9,224)
Commercial paper, net	0	(2,280)
Repayment of EIB loans	(400)	(298)
Overnight borrowings from banks, net	0	(200)
Repayment of liabilities with the right of creditors to priority repayment in the event of default	(614)	(537)
Repayment of liabilities from 5G spectrum acquired in Germany	(195)	(195)
Repayment of financial liabilities for media broadcasting rights	(280)	(260)
Principal portion of repayment of lease liabilities	(4,674)	(4,442)
Changes in cash and cash equivalents in connection with the sale and leaseback of the passive network infrastructure of the GD tower companies	0	3,069
Net cash flows for hedging transactions	0	23
Net cash flows from continuing involvement factoring	(7)	4
Deutsche Telekom AG share buy-back	(1,470)	0
Dividend payments (including to other shareholders of subsidiaries)	(5,118)	(3,701)
Cash inflows from transactions with non-controlling entities		
Sale of T-Mobile US shares by Deutsche Telekom	3,567	0
T-Mobile US stock options	9	8
Other cash inflows	23	15
	3,599	**22**
Cash outflows from transactions with non-controlling entities		
Increase of the stake in T-Mobile US	(614)	0
T-Mobile US share buy-back/share-based payment	(6,257)	(10,313)
OTE share buy-back	(94)	(129)
Other payments	(64)	(130)
	(7,029)	**(10,572)**
Other	(318)	(187)
Net cash (used in) from financing activities	**(11,329)**	**(20,899)**
Of which: from discontinued operation	0	(74)

Non-cash transactions

In the reporting period, Deutsche Telekom leased assets with a carrying amount of EUR 2.8 billion, mainly network equipment, cell sites, and land and buildings. These assets are recognized in the statement of financial position under right-of-use assets and the related liabilities under lease liabilities. Future repayments of the liabilities will be recognized in net cash used in/from financing activities. The corresponding additions of right-of-use assets were down EUR 2.3 billion against the prior-year period, mainly due to the leaseback of passive network infrastructure in Germany and Austria under the sale-and-leaseback agreement in connection with the sale of the GD tower companies in the first quarter of 2023 and due to the accelerated build-out of the 5G network in the prior years in the United States operating segment.

Consideration for the acquisition of broadcasting rights is paid by Deutsche Telekom in accordance with the terms of the contract on the date of its conclusion or spread over the term of the contract. Financial liabilities of EUR 0.3 billion were recognized in the reporting period for future consideration for acquired broadcasting rights (prior-year period: EUR 0.2 billion). The payment of the consideration will be recognized in net cash used in/from financing activities.

In connection with the acquisition of Ka'ena in the United States, which was consummated on May 1, 2024, T-Mobile US settled part of the upfront payment in the form of around 3 million ordinary shares in T-Mobile US with a total value of around USD 0.5 billion (EUR 0.5 billion), determined on the basis of the closing share price on April 30, 2024. In addition, an other non-current financial liability of USD 0.2 billion (EUR 0.2 billion) was recognized as of the acquisition date for the fair value of the contingent and other consideration payable on August 1, 2026.

For further information on the acquisition of Ka'ena, please refer to the section "Changes in the composition of the Group and other transactions."

Segment reporting

The following table provides an overview of Deutsche Telekom's operating segments and the Group Headquarters & Group Services segment for the first three quarters of 2024 and 2023.

For further information, please refer to the section "Development of business in the operating segments" in the interim Group management report.

The GD tower companies, which operated the cell tower business in Germany and Austria in the Group Development operating segment, had been recognized in the prior-year period as a discontinued operation in the interim consolidated financial statements until their sale effective February 1, 2023.

In accordance with the Company's own principles of segment management, when loans with embedded derivatives are granted internally to Group entities, the derivative component is recognized separately also in the creditor company's segment financial statements and measured at fair value through profit or loss.

Segment information in the first three quarters

millions of €

		Comparative period						Reporting date		
		Net revenue	Inter-segment revenue	Total revenue	Profit (loss) from operations (EBIT)	Depreciation and amortization	Impairment losses	Segment assets [a]	Segment liabilities [a]	Investments accounted for using the equity method [a]
Germany	Q1-Q3 2024	18,662	470	19,132	4,147	(3,260)	(3)	53,100	38,209	791
	Q1-Q3 2023	18,112	486	18,598	4,525	(3,146)	(9)	52,637	38,645	364
United States	Q1-Q3 2024	54,576	8	54,584	13,185	(11,654)	(1)	201,147	137,419	403
	Q1-Q3 2023	53,451	4	53,455	10,891	(11,542)	(37)	203,435	138,491	384
Europe	Q1-Q3 2024	8,977	165	9,142	1,798	(1,882)	(5)	24,228	8,421	49
	Q1-Q3 2023	8,524	154	8,678	1,513	(1,871)	(9)	24,237	8,801	42
Systems Solutions	Q1-Q3 2024	2,506	459	2,966	76	(162)	(15)	4,026	2,934	24
	Q1-Q3 2023	2,390	475	2,865	20	(163)	(46)	4,016	2,972	22
Group Development	Q1-Q3 2024	5	1	6	(23)	(2)	0	8,798	395	4,774
	Q1-Q3 2023	29	79	108	13,006	(2)	0	11,237	3,879	3,777
Group Headquarters & Group Services	Q1-Q3 2024	111	1,548	1,659	(1,372)	(913)	0	37,475	48,894	14
	Q1-Q3 2023	111	1,607	1,718	(1,293)	(995)	0	40,096	51,607	15
Total from continuing operations and discontinued operation	**Q1-Q3 2024**	**84,838**	**2,651**	**87,489**	**17,811**	**(17,873)**	**(24)**	**328,774**	**236,272**	**6,056**
	Q1-Q3 2023	**82,616**	**2,806**	**85,422**	**28,662**	**(17,719)**	**(101)**	**335,659**	**244,395**	**4,605**
Reconciliation	Q1-Q3 2024	0	(2,651)	(2,651)	(7)	(3)	0	(40,165)	(40,056)	0
	Q1-Q3 2023	0	(2,806)	(2,806)	(11)	16	0	(45,354)	(45,327)	0
Consolidated total from continuing operations and discontinued operation	**Q1-Q3 2024**	**84,838**	**0**	**84,838**	**17,803**	**(17,876)**	**(24)**	**288,608**	**196,216**	**6,056**
	Q1-Q3 2023	**82,616**	**0**	**82,616**	**28,651**	**(17,703)**	**(101)**	**290,305**	**199,068**	**4,605**
Discontinued operation	Q1-Q3 2024	0	0	0	0	0	0	n.a.	n.a.	n.a.
	Q1-Q3 2023	(15)	(84)	(99)	(13,004)	0	0	n.a.	n.a.	n.a.
Reconciliation	Q1-Q3 2024	0	0	0	0	0	0	n.a.	n.a.	n.a.
	Q1-Q3 2023	0	84	84	0	0	0	n.a.	n.a.	n.a.
Group total	**Q1-Q3 2024**	**84,838**	**0**	**84,838**	**17,803**	**(17,876)**	**(24)**	**288,608**	**196,216**	**6,056**
	Q1-Q3 2023	**82,601**	**0**	**82,601**	**15,647**	**(17,703)**	**(101)**	**290,305**	**199,068**	**4,605**

[a] Figures relate to the reporting dates of September 30, 2024 and December 31, 2023, respectively.

Contingencies

This section provides additional information and explains recent changes in the contingent liabilities and assets as described in the consolidated financial statements for the 2023 financial year.

Claims relating to charges for the shared use of cable ducts. In the claims filed by Vodafone Deutschland GmbH and Vodafone West GmbH against Telekom Deutschland GmbH alleging excessive charges for the use of cable ducts, which were referred by the Federal Court of Justice back to the responsible Higher Regional Courts, the plaintiffs have since updated their demands for relief. Vodafone Deutschland GmbH now puts its claim at around EUR 903 million plus interest for the period from January 2012 to December 2023; Vodafone West now puts its claim at around EUR 538 million plus interest for the period from January 2016 to April 2024. It is currently not possible to estimate the financial impact with sufficient certainty.

Proceedings against T-Mobile US in consequence of the cyberattack on T-Mobile US in August 2021. The derivative action brought in these proceedings by a purported shareholder against the members of the Board of Directors of T-Mobile US and against T-Mobile US as nominal defendant in September 2022 was dismissed in its entirety in May 2024. The plaintiff has appealed against this decision. In connection with the consumer class action in the Federal Court, the appeal filed by a class member against the awarding of lawyers' fees to the lawyer for the class was allowed in July 2024. Consequently, the court must rule again on the awarding. This has no impact on the agreement concluded in July 2022 to settle the consumer class action. T-Mobile US expects that the USD 315 million still outstanding from the original settlement amount of USD 350 million will be paid out at the end of November 2024. In addition, an agreement was reached on the inquiries made by the Federal Communications Commission (FCC).

Claims for damages against Deutsche Telekom AG, including due to insolvency of Phones4U. After the High Court of Justice in London rejected all claims made by Phones4U against all defendants in 2023 as well as an application for leave to lodge an appeal, Phones4U continued to pursue this application with the Court of Appeal. On March 26, 2024, the Court of Appeal allowed the appeal by Phones4U.

Other financial obligations

The following table provides an overview of Deutsche Telekom's other financial obligations as of September 30, 2024:

millions of €	Sept. 30, 2024
Purchase commitments regarding property, plant and equipment	5,180
Purchase commitments regarding intangible assets	6,232
Firm purchase commitments for inventories	10,439
Other purchase commitments and similar obligations	25,533
Payment obligations to the Civil Service Pension Fund	868
Obligations arising in connection with business combinations	9,784
Miscellaneous other obligations	2
	58,038

Purchase commitments regarding intangible assets include, among others, obligations of USD 1.1 billion (EUR 1.0 billion) from the second tranche in connection with the agreement between T-Mobile US and Channel 51 License Co, LLC and LB License Co, LLC, entered into on August 8, 2022, for the acquisition of spectrum licenses in the 600 MHz band. The item also includes obligations arising from the agreement between T-Mobile US and Comcast, entered into on September 12, 2023, for the acquisition of 600 MHz spectrum licenses. In this connection, the maximum purchase price of USD 3.3 billion (EUR 3.0 billion) was included in the disclosure. Other purchase commitments and similar obligations mainly comprise obligations for the procurement of services, such as maintenance and servicing, IT services, marketing measures, and outsourcing. The obligations arising in connection with business combinations mainly relate to obligations from the agreed acquisitions of Lumos of USD 1.5 billion (EUR 1.3 billion), of UScellular of USD 4.4 billion (EUR 3.9 billion), and of Metronet of USD 4.9 billion (EUR 4.4 billion) in the United States operating segment.

For further information on the agreements concluded with Comcast and Channel 51, please refer to the section "Intangible assets."

For further information on the agreements on the acquisition of Lumos, UScellular, and Metronet in the United States, please refer to the section "Changes in the composition of the Group and other transactions."

Disclosures on financial instruments

Carrying amounts, amounts recognized, and fair values by class and measurement category

millions of €

	Measurement category in accordance with IFRS 9	Carrying amount Sept. 30, 2024	Amounts recognized in the statement of financial position in accordance with IFRS 9				Fair value Sept. 30, 2024 [b]
			Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss [a]	
Assets							
Cash and cash equivalents	AC	**12,204**	12,204				
Trade receivables		**14,340**					
At amortized cost	AC	6,880	6,880				
At fair value through other comprehensive income	FVOCI	7,460			7,460		7,460
Other financial assets		**7,917**					
Originated loans and other receivables		**6,035**					
At amortized cost	AC	5,777	5,777				5,788
Of which: collateral paid	AC	1,349	1,349				
Of which: publicly funded projects	AC	1,712	1,712				
At fair value through profit or loss	FVTPL	258				258	258
Equity instruments		**530**					
At fair value through other comprehensive income	FVOCI	526		526			526
At fair value through profit or loss	FVTPL	4				4	4
Derivative financial assets		**1,173**					
Derivatives without a hedging relationship	FVTPL	479				479	479
Of which: termination rights embedded in bonds issued	FVTPL	101				101	101
Of which: energy forward agreements	FVTPL	141				141	141
Derivatives with a hedging relationship	n.a.	694			663	31	694
Lease assets	n.a.	**180**					
Liabilities							
Trade payables	AC	**7,718**	7,718				
Financial liabilities		**107,878**					
Bonds and other securitized liabilities	AC	92,131	92,131				90,505
Of which: asset-backed securities collateralized by trade receivables	AC	1,114	1,114				1,124
Liabilities to banks	AC	3,226	3,226				3,158
Liabilities with the right of creditors to priority repayment in the event of default	AC	1,422	1,422				1,400
Other interest-bearing liabilities [c]	AC	6,174	6,174				6,073
Of which: collateral received	AC	33	33				
Liabilities from deferred interest	AC	1,160	1,160				
Other non-interest-bearing liabilities	AC	1,379	1,379				
Derivative financial liabilities		**2,386**					
Derivatives without a hedging relationship	FVTPL	363				363	363
Of which: energy forward agreements	FVTPL	25				25	25
Derivatives with a hedging relationship	n.a.	2,023			515	1,508	2,023
Lease liabilities	n.a.	**38,426**					

[a] For energy forward agreements please refer to the detailed comments in the following section.

[b] The practical expedient under IFRS 7.29 was applied for disclosures on specific fair values.

[c] For information on the contingent consideration payable in connection with the acquisition of Ka'ena measured at fair value through profit or loss, please refer to the section "Changes in the composition of the Group and other transactions."

millions of €

	Measurement category in accordance with IFRS 9	Carrying amount Sept. 30, 2024	Amounts recognized in the statement of financial position in accordance with IFRS 9				Fair value Sept. 30, 2024 [b]
			Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss [a]	
Aggregated by measurement category (IFRS 9)							
Assets							
Financial assets at amortized cost	AC	24,861	24,861				5,788
Financial assets at fair value through other comprehensive income with recycling to profit or loss	FVOCI	7,460			7,460		7,460
Financial assets at fair value through other comprehensive income without recycling to profit or loss	FVOCI	526		526			526
Financial assets at fair value through profit or loss	FVTPL	740				740	740
Liabilities							
Financial liabilities at amortized cost	AC	113,210	113,210				101,135
Financial liabilities at fair value through profit or loss	FVTPL	363				363	363

[a] For energy forward agreements please refer to the detailed comments in the following section.

[b] The practical expedient under IFRS 7.29 was applied for disclosures on specific fair values.

[c] For information on the contingent consideration payable in connection with the acquisition of Ka'ena measured at fair value through profit or loss, please refer to the section "Changes in the composition of the Group and other transactions."

Carrying amounts, amounts recognized, and fair values by class and measurement category

millions of €

			Amounts recognized in the statement of financial position in accordance with IFRS 9				
	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2023	Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss [a]	Fair value Dec. 31, 2023 [b]
Assets							
Cash and cash equivalents	AC	**7,274**	7,274				
Trade receivables		**16,157**					
At amortized cost	AC	7,710	7,710				
At fair value through other comprehensive income	FVOCI	8,446			8,446		8,446
Other financial assets		**9,593**					
Originated loans and other receivables		**7,190**					
At amortized cost	AC	6,538	6,538				6,550
Of which: collateral paid	AC	1,708	1,708				
Of which: publicly funded projects	AC	1,863	1,863				
At fair value through profit or loss	FVTPL	652				652	652
Equity instruments		**426**					
At fair value through other comprehensive income	FVOCI	422		422			422
At fair value through profit or loss	FVTPL	4				4	4
Derivative financial assets		**1,780**					
Derivatives without a hedging relationship	FVTPL	1,122				1,122	1,122
Of which: termination rights embedded in bonds issued	FVTPL	200				200	200
Of which: energy forward agreements	FVTPL	168				168	168
Derivatives with a hedging relationship	n.a.	658			643	15	658
Lease assets	n.a.	**197**					
Liabilities							
Trade payables	AC	**10,916**	10,916				
Financial liabilities		**104,522**					
Bonds and other securitized liabilities	AC	87,773	87,773				84,266
Of which: asset-backed securities collateralized by trade receivables	AC	677	677				677
Liabilities to banks	AC	3,560	3,560				3,466
Liabilities with the right of creditors to priority repayment in the event of default	AC	2,067	2,067				2,001
Other interest-bearing liabilities [c]	AC	6,628	6,628				6,499
Of which: collateral received	AC	39	39				
Liabilities from deferred interest	AC	1,009	1,009				
Other non-interest-bearing liabilities	AC	921	921				
Derivative financial liabilities		**2,564**					
Derivatives without a hedging relationship	FVTPL	296				296	296
Of which: energy forward agreements	FVTPL	32				32	32
Derivatives with a hedging relationship	n.a.	2,268			435	1,833	2,268
Lease liabilities	n.a.	**40,792**					

[a] For energy forward agreements please refer to the detailed comments in the following section.
[b] The practical expedient under IFRS 7.29 was applied for disclosures on specific fair values.
[c] For information on the contingent consideration payable in connection with the acquisition of Ka'ena measured at fair value through profit or loss, please refer to the section "Changes in the composition of the Group and other transactions."

millions of €

	Measurement category in accordance with IFRS 9	Carrying amount Dec. 31, 2023	Amounts recognized in the statement of financial position in accordance with IFRS 9				Fair value Dec. 31, 2023 [b]
			Amortized cost	Fair value through other comprehensive income without recycling to profit or loss	Fair value through other comprehensive income with recycling to profit or loss	Fair value through profit or loss [a]	
Aggregated by measurement category (IFRS 9)							
Assets							
Financial assets at amortized cost	AC	21,522	21,522				6,550
Financial assets at fair value through other comprehensive income with recycling to profit or loss	FVOCI	8,446			8,446		8,446
Financial assets at fair value through other comprehensive income without recycling to profit or loss	FVOCI	422		422			422
Financial assets at fair value through profit or loss	FVTPL	1,778				1,778	1,778
Liabilities							
Financial liabilities at amortized cost	AC	112,874	112,874				96,233
Financial liabilities at fair value through profit or loss	FVTPL	296				296	296

[a] For energy forward agreements please refer to the detailed comments in the following section.

[b] The practical expedient under IFRS 7.29 was applied for disclosures on specific fair values.

[c] For information on the contingent consideration payable in connection with the acquisition of Ka'ena measured at fair value through profit or loss, please refer to the section "Changes in the composition of the Group and other transactions."

Trade receivables include receivables amounting to EUR 1.9 billion (December 31, 2023: EUR 2.2 billion) due in more than one year. The fair value generally equals the carrying amount.

Disclosures on fair value

Financial instruments measured at fair value

millions of €

	Sept. 30, 2024				Dec. 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Trade receivables								
At fair value through other comprehensive income			7,460	**7,460**			8,446	**8,446**
Other financial assets – Originated loans and other receivables								
At fair value through profit or loss	233		25	**258**	221		431	**652**
Equity instruments								
At fair value through other comprehensive income	13		513	**526**	11		411	**422**
At fair value through profit or loss			4	**4**			4	**4**
Derivative financial assets								
Derivatives without a hedging relationship		225	254	**479**		737	385	**1,122**
Derivatives with a hedging relationship		673	21	**694**		658		**658**
Liabilities								
Derivative financial liabilities								
Derivatives without a hedging relationship		262	101	**363**		263	33	**296**
Derivatives with a hedging relationship		1,932	91	**2,023**		2,215	53	**2,268**

Of the equity instruments measured at fair value through other comprehensive income and recognized under other financial assets, the instruments presented in the different levels constitute separate classes of financial instruments. In each case, the fair values of the total volume of equity instruments recognized as Level 1 are the price quotations at the reporting date.

The listed bonds and other securitized liabilities are assigned to Level 1 or Level 2 depending on the market liquidity of the relevant instrument. Consequently, issues denominated in euros or U.S. dollars with relatively large nominal amounts are to be classified as Level 1, the rest as Level 2. The fair values of the instruments assigned to Level 1 equal the nominal amounts multiplied by the price quotations at the reporting date. The fair values of the instruments assigned to Level 2 are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies.

The fair values of liabilities to banks and other interest-bearing liabilities are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and Deutsche Telekom's credit spread curve for specific currencies. The fair values of trade receivables and of originated loans and other receivables are calculated as the present values of the payments associated with the receivables, based on the applicable yield curve and the credit risk of the debtors.

Since there are no market prices available for the derivative financial instruments in the portfolio assigned to Level 2 due to the fact that they are not listed on the market, the fair values are calculated using standard financial valuation models, based entirely on observable inputs. The fair value of derivatives is the price that Deutsche Telekom would receive or have to pay if the financial instrument were transferred at the reporting date. Interest rates of contractual partners relevant as of the reporting date are used in this respect. The middle rates applicable as of the reporting date are used as exchange rates. In the case of interest-bearing derivatives, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes the interest accrued. The fair values carried correspond to the full fair value or the dirty price.

The equity instruments measured at fair value through other comprehensive income comprise a large number of investments in strategic, unlisted individual positions. Deutsche Telekom considers the chosen measurement through other comprehensive income without recycling to profit or loss to be appropriate because there are no plans to use the investments for short-term profit-taking. At the date of disposal of an investment, the total cumulative gain or loss is reclassified to retained earnings. Acquisitions and disposals are based on business policy investment decisions.

Development of the carrying amounts of the financial assets and financial liabilities assigned to Level 3

millions of €

	Equity instruments at fair value through other comprehensive income	Derivative financial assets at fair value through profit or loss: termination rights embedded in bonds issued	Derivative financial assets at fair value through profit or loss: energy forward agreements	Derivative financial liabilities at fair value through profit or loss: energy forward agreements	Originated loans and other receivables at fair value through profit or loss: contingent consideration receivable
Carrying amount as of January 1, 2024	**411**	**200**	**169**	**(32)**	**420**
Additions (including first-time classification as Level 3)	48	13	0	0	0
Decreases in fair value recognized in profit/loss (including losses on disposal)		(139)	(77)	(4)	(420)
Increases in fair value recognized in profit/loss (including gains on disposal)		27	54	7	0
Decreases in fair value recognized directly in equity	(31)				
Increases in fair value recognized directly in equity	86				
Disposals (including last classification as Level 3) [a]	0	0	(3)	4	0
Currency translation effects recognized directly in equity	(1)	0	(2)	0	0
Carrying amount as of September 30, 2024	**513**	**101**	**141**	**(25)**	**0**

[a] The disposals under energy forward agreements include billing amounts paid.

The **equity instruments** assigned to Level 3 that are measured at fair value through other comprehensive income and carried under other financial assets are equity investments with a carrying amount of EUR 462 million measured using the best information available at the reporting date. As a rule, Deutsche Telekom considers transactions involving shares in those companies to have the greatest relevance. Transactions involving shares in comparable companies are also considered. The proximity of the relevant transaction to the reporting date, and the question of whether it was conducted at arm's length, are relevant for deciding which information is used for the measurement. Furthermore, the degree of similarity between the object being measured and comparable companies must be taken into consideration. For the development of the carrying amounts in the reporting period, please refer to the table above. In the case of investments with a carrying amount of EUR 184 million, transactions involving shares in these companies took place at arm's length sufficiently close to the reporting date, which is why the share prices agreed in the transactions were to be used without adjustment for the measurement as of the current reporting date. In the case of investments with a carrying amount of EUR 37 million, an analysis of operational indicators (especially revenue, EBIT, and liquidity) revealed that the carrying amounts were equivalent to current fair values. Due to better comparability, previous arm's length transactions involving shares in these companies are preferable to more recent transactions involving shares in similar companies. In the case of investments with a carrying amount of EUR 241 million, for which the last arm's length transactions relating to shares in these companies took place further in the past, a measurement performed more recently relating to shares in similar companies provides the most reliable representation of the fair values. Here, multiples to the reference variable of expected revenue (ranging between 3.1 and 38.2) were applied and a range of equally distributed percentiles in intervals of 16.7 % around the median were taken as a basis. For each investment, the appropriate percentile was used depending on the specific circumstances. If other values had been used for the multiples and for the expected revenue amounts, the calculated fair values would have been different. However, these hypothetical deviations (sensitivities) were immaterial as of the current reporting date. In addition, non-material individual items with a carrying amount of EUR 51 million when translated into euros are included with differences in value of minor relevance.

The derivatives without a hedging relationship assigned to Level 3 and carried under derivative financial assets relate to **options embedded in bonds issued by T-Mobile US** with a carrying amount of EUR 101 million when translated into euros. The options, which can be exercised by T-Mobile US at any time, allow early redemption of the bonds at fixed exercise prices. Observable market prices are available regularly and also at the reporting date for the bonds as entire instruments, but not for the options embedded therein. The termination rights are measured using an option pricing model. Historical interest rate volatilities of bonds issued by T-Mobile US and comparable issuers are used for the measurement because these provide a more reliable estimate at the reporting date than current market interest rate volatilities. The spread curve, which is also unobservable, was derived on the basis of current market prices of bonds issued by T-Mobile US and debt instruments of comparable issuers. Risk-free interest rates and spreads were simulated separately from each other. At the current reporting date, the following interest rate volatility and spreads were used for the various rating levels of the USD bonds:

Interest rate volatilities and spreads used by rating levels

%	Interest volatility (absolute figure)	Spread
BBB+	0.1 – 0.2	0.8 – 1.4
BBB-	0.1 – 0.3	1.3 – 2.0
BB+	0.1 – 0.3	1.6 – 2.5

If other values had been used for the interest rate volatility and for the spread curve , the calculated fair values would have been different. However, these hypothetical deviations (sensitivities) were immaterial as of the current reporting date. In the reporting period, a net expense of EUR 112 million when translated into euros was recognized under the Level 3 measurement in other financial income/expense for unrealized losses for the options in the portfolio at the reporting date. In the reporting period, no option was exercised. Please refer to the table above for the development of the carrying amounts in the reporting period. Due to their distinctiveness, these instruments constitute a separate class of financial instruments.

With a carrying amount of EUR 141 million when translated into euros, the derivatives without a hedging relationship assigned to Level 3 and carried under derivative financial assets relate to **energy forward agreements** embedded in contracts entered into by T-Mobile US. The same applies to derivative financial liabilities with a carrying amount of EUR 25 million when translated into euros. These agreements consist of two components: the energy forward agreement and the acquisition of renewable energy credits by T-Mobile US. In the case of one energy forward agreement, commercial operation is set to begin in 2025; with the others, it has already begun. Under the energy forward agreements, which are accounted for separately as derivatives, T-Mobile US receives variable amounts based on the actual energy output and the then current energy prices, and pays fixed amounts per unit of energy generated from the start of commercial operations throughout the term of the contract. The energy forward agreements are measured using valuation models because no observable market prices are available. The value of the derivatives is influenced primarily by the future energy output and the future energy prices on the relevant markets. The main contract parameters and assumptions made are set out in the table below. In the view of T-Mobile US, the contracts were entered into at current market conditions, and the most appropriate parameters for the unobservable inputs were used for measurement purposes. The transaction price at inception was zero in each case. Since the unobservable inputs have a significant influence on the measurement of the derivatives, the respective amount resulting from initial measurement (day 1 gain) for some of the agreements was not recognized in profit or loss on initial recognition. Instead, these day 1 gains are amortized in profit or loss on a straight-line basis over the period of commercial energy production. This amortization adjusts the effects from measuring the derivatives in each accounting period using the respective valuation models and updated parameters. All amounts from the measurement of the derivatives are presented in net terms per contract in the statement of financial position (derivative financial assets/liabilities) and in the income statement (other operating income/expenses). The remaining agreements were acquired by T-Mobile US in a business combination and, for these agreements too, unobservable inputs have a material influence on the measurement of the derivatives. However, under the requirements for business combinations, the respective amounts resulting from the measurement are recognized as derivative financial assets, as a result of which there are no amounts yet to be amortized for these agreements. On the following reporting dates, the effects from the periodic measurement of the derivatives will be recorded in full in the income statement (other operating expenses or other operating income). At the reporting date, the calculated fair value from Deutsche Telekom's perspective for one of the energy forward agreements described above is negative and amounts to EUR -6 million when translated into euros. All the rest are positive and amount to EUR 231 million when translated into euros. If other values had been used for the future energy prices and for the future energy output, the calculated fair values would have been different. However, these hypothetical deviations (sensitivities) were immaterial as of the current reporting date. In the reporting period, a net expense of EUR -7 million when translated into euros was recognized under the Level 3 measurement in other operating income/expense for unrealized losses for the derivatives for all the above energy forward agreements. Please refer to the corresponding table for the development of the carrying amounts in the reporting period. The development of the day 1 gain yet to be amortized in the income statement in the reporting period is shown in the following table. The straight-line amortization of the day 1 gains through profit or loss over the period of commercial energy production amounts to a total of EUR 11 million per year when translated into euros.

Main contract parameters of energy forward agreements

	United States
Term of the contract from the start of commercial operation in years	12 to 15
End of the term of contracts for which commercial operation has already begun	2029 to 2035
Expected energy output in GWh per year	4,057
Expected energy prices per MWh for the unobservable portion of the term in €	20 to 80
Length of time in years, for which energy prices are regularly observable	up to 10

Development of the not yet amortized amounts

millions of €

	Energy forward agreements in the United States [a]
Measurement amounts on initial recognition	**245**
Measurement amounts on initial recognition (additions during the reporting period)	0
Measurement amounts amortized in profit or loss in prior periods	(49)
Measurement amounts amortized in profit or loss in the current reporting period	(7)
Currency translation adjustments	5
Disposals in prior periods	(85)
Disposals in the current reporting period	0
Measurement amounts not amortized as of September 30, 2024	**109**

[a] For more details, please refer to the explanations above.

The contingent consideration receivable from the sale of a 50 % stake in GlasfaserPlus was forgone in the reporting period under a contractual adjustment.

For the trade receivables measured at fair value through other comprehensive income assigned to Level 3 and for the **originated loans and other receivables** measured at fair value through profit or loss, the main factor in determining fair value is the credit risk of the relevant counterparties. If the default rates applied as of the reporting date had been 1 % higher (lower) with no change in the reference variables, the fair values of the instruments would have been 1 % lower (higher). The financial assets assigned to Level 3 include trade receivables measured at fair value through other comprehensive income, for which the credit risk of customers constitutes an unobservable input for the measurement, with a carrying amount of EUR 7,460 million (December 31, 2023: EUR 8,446 million) when translated into euros. As a rule, a credit scoring model is used for receivables paid in installments. The cash flows are discounted on the basis of the weighted average of the original effective interest rates of the financial assets in the relevant portfolio. A weighted average credit-risk spread of 7.57 % (December 31, 2023: 6.49 %) was applied to the respective receivables portfolios at the reporting date. The credit-risk spreads applied are derived from the expected future credit loss of the relevant portfolio and are updated on an ongoing basis. Changes in the fair value of these trade receivables are also caused by changes in observable market interest rates.

No notable fluctuations in value are expected from the other financial assets and financial liabilities assigned to Level 3.

Disclosures on credit risk

In line with the contractual provisions, in the event of insolvency, all derivatives with a positive or negative fair value that exist with the respective counterparty are offset against each other, leaving a net receivable or liability. The net amounts are normally recalculated every bank working day and offset against each other. When the netting of the positive and negative fair values of all derivatives was positive from Deutsche Telekom's perspective, Deutsche Telekom received unrestricted cash collateral from counterparties pursuant to collateral agreements in the amount of EUR 33 million (December 31, 2023: EUR 39 million). The credit risk was thus reduced by EUR 33 million (December 31, 2023: EUR 37 million) because, on the reporting date, the cash collateral received was offset by corresponding net derivative positions in the same amount. On the basis of these contracts, derivatives with a positive fair value and a total carrying amount of EUR 898 million as of the reporting date (December 31, 2023: EUR 981 million) had a residual credit risk of EUR 7 million as of September 30, 2024 (December 31, 2023: EUR 2 million).

When the netting of the positive and negative fair values of all derivatives was negative from Deutsche Telekom's perspective, Deutsche Telekom provided cash collateral in the amount of EUR 1,272 million as of the reporting date (December 31, 2023: EUR 1,642 million) to counterparties pursuant to collateral agreements. The cash collateral paid is offset by corresponding net derivative positions of EUR 1,252 million at the reporting date (December 31, 2023: EUR 1,513 million), which is why it was not exposed to any credit risks in this amount.

On account of its close connection to the corresponding derivatives, the collateral received (paid) constitutes a separate class of financial liabilities (assets). There were no other significant agreements reducing the maximum exposure to the credit risk of financial assets. The maximum exposure to credit risk of the other financial assets thus corresponds to their carrying amounts.

In accordance with the terms of the bonds issued by T-Mobile US, T-Mobile US has the right to terminate the majority of bonds prematurely under specific conditions. The rights of early termination constitute embedded derivatives and are presented separately as derivative financial assets in the consolidated statement of financial position. Since they are not exposed to any credit risk, they constitute a separate class of financial instruments. Please refer to the explanations above for more information on the energy forward agreements for which no material collateral is provided. There is also no credit risk on embedded derivatives held.

In connection mainly with the procurement of energy, subsidiaries of Deutsche Telekom have deposited additional cash collateral of EUR 5 million when translated into euros as of the reporting date (December 31, 2023: EUR 2 million). At the reporting date, cash and cash equivalents of EUR 71 million (December 31, 2023: EUR 64 million) when translated into euros were pledged as cash collateral for liabilities issued by Sprint with the right of creditors to priority repayment in the event of default. This cash collateral is not exposed to any significant credit risk.

Related-party disclosures

The following significant changes to the related-party disclosures reported in the consolidated financial statements as of December 31, 2023 were in effect as of September 30, 2024.

As of December 31, 2023, the Federal Republic of Germany was both a direct and an indirect shareholder via KfW Bankengruppe and held 30.46 % (December 31, 2022: 30.46 %) of the share capital of Deutsche Telekom AG. As of September 30, 2024, the Federal Republic of Germany and KfW held a total direct shareholding of 27.80 %. In its last notification of voting rights dated June 5, 2024, the Federal Republic of Germany reported that a total of 28.18 % of the voting rights in Deutsche Telekom AG were attributable to it.

Executive bodies

Board of Management

By resolution of October 13, 2023, Ferri Abolhassan was appointed as the Board member responsible for T-Systems for the period from January 1, 2024 to December 31, 2026. Mr. Abolhassan thereby succeeds Adel Al-Saleh, who had asked for his contract to be terminated and left the Group as of December 31, 2023.

Events after the reporting period

Deutsche Telekom AG's share buy-back program. In the period from October 1, 2024 to November 12, 2024, Deutsche Telekom AG bought back around 9 million shares with a total volume of around EUR 0.3 billion under the share buy-back program.

For more information, please refer to the section "Other transactions that had no effect on the composition of the Group."

T-Mobile US' share buy-back program continued. In the period from October 1, 2024 to October 18, 2024, T-Mobile US bought back around 4 million additional shares with a total volume of USD 0.9 billion (EUR 0.8 billion) under the share buy-back program.

For further information on the share buy-back program at T-Mobile US, please refer to the section "Other transactions that had no effect on the composition of the Group."

Issue of bonds by T-Mobile US. On October 9, 2024, T-Mobile US issued asset-backed securities (ABS senior notes) in the amount of USD 0.5 billion (EUR 0.5 billion) with terms ending in 2029 and bearing interest of 4.25 %.

Early redemption of senior notes by T-Mobile US. On October 11, 2024, T-Mobile US announced the early redemption of senior notes due in 2025 with a nominal value of USD 1.5 billion (EUR 1.3 billion) and bearing interest of 7.625 %. This early redemption is expected to be completed at par on November 15, 2024.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, November 14, 2024

Deutsche Telekom AG
The Board of Management

Timotheus Höttges

Dr. Ferri Abolhassan	Birgit Bohle	Srini Gopalan	Dr. Christian P. Illek
Thorsten Langheim	Dominique Leroy	Claudia Nemat	

Review report

To Deutsche Telekom AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and selected explanatory notes – and the interim Group management report of Deutsche Telekom AG, Bonn, for the period from January 1 to September 30, 2024 which are part of the quarterly financial report pursuant to § (Article) 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS Accounting Standards (hereinafter referred to as “IFRS Accounting Standards”) issued by the International Accounting Standards Board (IASB) and applicable to interim financial reporting as adopted by the EU and of the interim Group management report in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the parent company’s board of management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS Accounting Standards applicable to interim financial reporting as adopted by the EU or that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim Group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of Deutsche Telekom AG have not been prepared, in all material respects, in accordance with the IFRS Accounting Standards applicable to interim financial reporting as adopted by the EU nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, November 14, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Christoph Schenk
Wirtschaftsprüfer (German Public Auditor)

Prof. Dr. Tim Hoffmann
Wirtschaftsprüfer (German Public Auditor)